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Political Trends in Central Asia Analyzed

954F2534A Moscow ROSSIYA in Russian
17-23 May 95 No 13, p 5

[Article by Yuriy Tyssovskiy: "On a Plebiscite Into the Third Millennium"]

[FBIS Translated Text] Three republics—Turkmenistan, Uzbekistan, and Kazakhstan—have already held nationwide referenda that supported the extension of the terms of the presidency of the current heads of state to the year 2000 or later; political experts are perplexed by this direction in Central Asian politics, are seeking an explanation for this phenomenon, and are asking whether it can be copied in Russia.

When, in February 1994, Turkmenistan held a nationwide referendum on the question of extending the powers of President Saparmurat Niyazov to the year 2002, many analysts who engage in the problems of Central Asia perceived this as the latest extravagant trick of the head of state, which was aimed at strengthening the regime of personal power. After being one of the poorest regions in the Soviet Union, Turkmenistan currently, in actuality, stands alone among the five Central Asian republics from the point of view of the nature of state authority. The most recent census conducted there defines the number of inhabitants as 4.6 million persons, many of whom are still nomads. They account for the 15 million tonnes of petroleum and 70 billion cubic meters of gas, and the million tonnes of cotton that are annually produced by that country. It is for good reason that the hopes of managing that country extend up to the point of converting the country into a "new Kuwait." The regime that is governing in Turkmenistan is actually a communist one. Saparmurat Niyazov actually has headed it since late 1985, first in the role of first secretary of the Central Committee of the Communist Party of Turkmenia, then as the chairman of the Supreme Soviet, and finally as president.

During that time he received the title of turkmenbashi—head of the Turkmens—and the largest avenue, previously called Prospekt Lenina, in the capital Ashgabat, and the former port of Krasnovodsk on the Caspian were renamed in his honor. Following that example, the EDABEIYET VE SUNGAT newspaper proclaimed Saparmurat Niyazov "Allah's deputy," and he is called "Turkmenistan's diamond." The head of state continues to rely on the Communists, and by one stroke of the pen renamed the ruling Communist Party the Democratic Party, but without making any changes or reassignments in it. In the 1992 presidential election Saparmurat Niyazov was named head of the state by 95.5 percent of those who voted, and 99.9 percent expressed their desire to extend his powers until the year 2002. Obviously, one cannot talk about any democratic principles.

However, today Turkmenistan is an oasis of stability in the stormy sea of Central Asian upheavals. One does not observe any migration of population, including the Russian-speaking population, from there. After a number of show trials for the criminal elements—last year 126 major Mafiosi were executed by firing squad—the criminal world has gone deep into the underground. The "second Kuwait" and the "decade of prosperity" that had been promised by the turkmenbashi to the nation did not, of course, occur, but a definite minimum standard of living is preserved for all citizens, and the domestic stability is promoting the attracting of foreign investments into the national economy.

In the opinion of the president, it is not he who needs the personality cult, but the state. "Whoever the leader is, he should be respected. It is necessary to not praise him, but to talk about him as he is, according to his merits," he said in one of his statements. With depersonalized responsibility it is impossible to possess power. In a stage of transition, every state must have a leader who enjoys the nation's support, the head of state feels.

A new philosophy of power in Turkmenistan is obvious. Saparmurat Niyazov does not have any problems with parliament, which obediently rubber-stamps all the leadership's decisions, or with the opposition, which has been crowded out of the republic and is extremely weak. Consequently, the course aimed at strengthening personal power is dictated by the desires of a leader who is already politically well entrenched to increase even more his authority in the eyes of the nation. But is this philosophy the standard one for the entire region? The political tendencies in it indicate that it is only partially so.

Uzbekistan President Islam Karimov allowed himself to sometimes tease his Turkmen colleague because of his tendency to extol himself. Nevertheless, he became the second Central Asian head of state to put before his nation the question of confidence until the year 2000.

The Tashkent power regime differs from the Ashgabat one as heaven differs from earth—not in essence, but on the basis of its outward manifestations, although there are more than enough similar features. Islam Karimov's reputation is one of an extremely rigid ruler, who is touched, however, by the lustre of being civilized. From the formal point of view it is difficult to find fault with the state power system. For the most part, the Communists have joined the president's party—the People's Democratic Party. Constitutional norms are basically, at least on the surface, observed. The presidential and parliamentary elections were held on an alternative basis, although it is true that all measures of an organizational and propaganda nature were used in order to assure that the necessary candidate got the seat. The infringement of the rights of members of the opposition evokes in Western observers the desire to wrinkle their nose squeamishly, but nothing more than that: They view such actions as ones that are inevitable for the Central Asian mentality of restraining movements forward along the path of democracy. Especially since Islam Karimov is attempting not to overdo things.

The president's positions are very strong. A repressive system that is controlled in a centralized manner and agencies of authority organized strictly along the vertical make the formation of an effective opposition practically impossible. Something that has been created as a kind of political lightning conductor and that has already participated in elections is a "tamed" opposition in the person of the Vatan Tarkkiyeti (Progress of the Motherland) Party. But political observers notice in the leaders of that organization certain hints of a Fronde, which hints may grow into a steady tendency. Reports have already appeared concerning the intention of a group of prominent opposition members who have united around Shukrullo Mirsaidov, former vice president of Uzbekistan, to create the Adolat (Justice) opposition party. The authorities hurriedly knocked together in February a progovernmental Adolat party grouping that immediately began to issue a monthly magazine with the same name. Thus the opposition members had taken away from them at least the right to the name of the future party. The opposition includes not only the Erk (Freedom) Party, but also the Birlik (Unity) movement, the leaders of which are in emigration, mainly in Moscow. I would like to emphasize also that the opposition movement in Uzbekistan is still, organizationally speaking, in the embryonic stage.

From statements made by Islam Karimov one can conclude that the requirement concerning the holding of a referendum was dictated by the fact that "the activity of all branches of authority must be conducted in the same key." A typical peculiarity of the process of democratization under conditions of the East, he reminds people, is its consistency and gradualness. He is opposed to the stratification of society into the "excessively rich and excessively poor," and this requires the enacting of a special system of laws that effectively guarantee social and property equality in society.

But the true reason lies elsewhere. Uzbekistan, sated with the euphoria of independence, was very quickly confronted by the inevitable and unpleasant economic consequences of that independence, but it coped with them more or less successfully. Perhaps it was less, rather than more, but the situation did not get to the point of a complete crisis. The reserves of gold, gas, and cotton became a "cushion" that softened the downward fall for the inhabitants of the republic. Currently, however, it is not possible to carry out a caring system of reforms, and, in addition, the IMF specifies as a condition for its aid the enactment of "unpopular" measures on the part of the government.

A total of 99.3 percent of the persons having the right to vote took part in the referendum, with 99.6 percent saying "yes" to the president. Commentary is superfluous. The warning blow of the head of state that guarantees him the possibility of carrying out consistent reforms in the economy, despite the rise in oppositional moods that is inevitably linked with this, had occurred.

Least of all a similar step was expected by Kazakhstan President Nursultan Nazarbayev. On the vast expanses of the CIS he enjoys recognition as a leader who is in favor of the closer integration of the states that are part of it, although not everyone shares the Kazakhstan president's concept of the inevitability of creating a Eurasian supranational formation. In his actions he inclines toward the reformer and democratic wave, and is rational and predictable, and this has won him popularity not only within the country and in the CIS countries, but also in the West. In addition, he is a stern and decisive ruler.

Nursultan Nazarbayev is confronted in Kazakhstan with a serious opposition which, for Central Asia, is probably the most organized one. Including in parliament. Nevertheless no alternative to the president can be seen, and in the event of any election he has at his disposal a strength reserve that is extremely large.

However, it was probably not the Turkmen alternative, but rather the Uzbek one, that prompted the head of state to hold the referendum on extending the powers to the year 2000. In March the Kazakhstan Constitutional Court unexpectedly recognized, and not without foundation, the parliamentary election that had been held a year previously as being "antidemocratic." The president appealed, but the court confirmed its decision. The head of state had nothing left to do but, in conformity with the republic's basic law, to dissolve parliament. At a subsequent session of the consultative agency under the president—the Assembly of the Nations of Kazakhstan—the proposal concerning the holding of a referendum was made. Nursultan Nazarbayev supported that initiative.

Five political parties, including two opposition parties, spoke out on the side of the president. Four parties and movements expressed their opposition. As was expected, the president's message to the nation was supported, but the number of those who voted "yes"—95.4 percent—surprised even him. Having received carte blanche for the holding of fundamental socioeconomic reforms prior to December of the year 2000, the head of state decisively swept away the accusations against him that he was attempting to achieve totalitarian forms of rule. "That will never happen," he said.

The tendency toward the holding of referenda as the "diktat of democracy" in Central Asia has also affected Kyrgyzstan. True, the situation there is more complicated. Kyrgyzstan considers itself to be the most liberal republic in the region, and considers its president, Askar Akayev, to be the most democratic head of state in Central Asia. At the February election to Zhogork Kenesh—the parliament—the majority, albeit not an absolute one, proved to be in favor of the obvious and concealed Communists who represent the basic oppositional force. That was viewed as a blow to the reformers headed by the president. The list of Cabinet of Ministers members that was proposed by Askar Akayev was confirmed by the parliament with the exception of three individuals, but key ones, primarily Finance Minister Kemelbek Nanayev, a convinced and decisive reformer. Thus, a conflict is ripening between the legislative and executive branches of authority. Under these conditions the views of adherents of the president turned to Tashkent and Almaty. However, Askar Akayev rejected the idea of a plebiscite.

As for Tajikistan, the situation of military confrontation in that country precluded such experiments.

PRAVDA recently asked the question, "Isn't the campaign to extend the presidential powers in Central Asia a rehearsal for a similar action in Russia?" Serious analysts practically exclude this turn of events in Moscow, inasmuch as it would lead to a final differentiation of society and to a social explosion. Especially since today the Kremlin is engaged in more creative political work to form pro-presidential parliamentary blocs that are supposed to guarantee the succession of the reformer authority. Of course, under the extreme conditions that may appear in the future, anything is possible, but the prospects for this referendum are on the brink of the unlikely.

ITAR-TASS Carries Press Review for 23 Jun

LD2306071695 Moscow ITAR-TASS in English 0625 GMT 23 Jun 95

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW June 23 (ITAR-TASS) — President Boris Yeltsin's reaction to the State Duma's Wednesday vote of no-confidence in the Russian government is the main topic in today's Moscow-based Russian newspapers.

IZVESTIYA regards Yeltsin's statement about his disagreement with the Duma decision as a "hint at the Presidential right to dissolve the Duma if it brings in a vote of no-confidence in the government of Viktor Chernomyrdin for the second time."

The newspaper's opinion is that the President "keeps the government up and threatens the Duma with dissolution".

KOMSOMOLSKAYA PRAVDA shares IZVESTIYA's point of view on the subject.

PRAVDA points out that "the President has delivered an ultimatum to the Duma while discussing a budget with the government".

KRASNAYA ZVEZDA (Red Star) writes that "the Russian government, encouraged by Boris Yeltsin's backing, has raised the confidence issue with the State Duma".

The newspaper points out that as a result of that "the prospect for the Duma dissolution has drawn nearer" and "it remains for the Duma members either to pack their suitcases or withdraw the no-confidence motion".

All newspapers continue to comment on the Budennovsk hostage-taking developments in Stavropol Territory. Newspapers run documentary materials by their correspondents who voluntarily accompanied the terrorists to Chechnya, eye-witness accounts, and expert opinions.

ROSSIYSKAYA GAZETA sees the cause of such a magnitude of the tragedy in the weakness of the Russian Interior Ministry and the Federal Security Service, and in the disintegration of the anti-terrorist units Alpha and Vympel.

The writer of the article laments that such an essential State institution as counterintelligence was practically destroyed through the efforts of Vadim Bokatin, who, the newspaper points out, "divulged so many secrets which the CIA would not have wheedled over a century" and "ruined the agents network".

KRASNAYA ZVEZDA on the problems of drafting into the army.

According to the newspaper, 22,000 young people evaded military service in autumn last year. Criminal proceedings were instituted against only 1,327 of them. One of the ruses of the draft dodgers is an evasion of registration at an Enlistment Office. Due to that, 44,000 youths dodged the draft last year.

OBSHCHAYA GAZETA (General Newspaper) carries an interview with Stanislav Assekritov, First Vice-President of the Shatalin Foundation, who sets out his programme for the economic development of Russia, the programme which is an alternative to the one being implemented by the govenrment of Viktor Chernomyrdin.

Assekritov argues that "capital invested in industry should not be declared. If this half-unlaundered money begins to work for the benefit of the economy, the end justifies the means."

OBSHCHAYA GAZETA on inflation rate.

According to the newspaper, prices in Russia have risen by 172 per cent since the beginning of the year. General index of inflation has been 104 per cent.

Kozyrev on Russian-U.S. 'Pragmatic Partnership'

LD2206145095 Moscow ITAR-TASS World Service in Russian 1328 GMT 22 Jun 95

[By ITAR-TASS diplomatic correspondent Dmitriy Gorokhov]

[FBIS Translated Text] Moscow, 22 Jun (ITAR-TASS) — The meeting of the Russian-American commission on economic and technological cooperation to be held in Moscow 29-30 June, and chaired by Viktor Chernomyrdin and U.S. Vice President Al Gore, will usher in a new stage in the development of business ties between the two countries. The basis for this is created by "an ever-stronger pragmatic partnership" of the superpowers. This was confidently stated today by Russian Foreign Minister Andrey Kozyrev at a meeting held at the CIS-U.S. Council for Trade and Economic Cooperation.

Describing Russian-American relations as a whole, the Russian foreign minister noted that "differences have always existed and will exist, but they should not be taken as a renunciation of the course for partnership, or as some kind of turning back." On the contrary, Bill Clinton's May visit to Moscow and his talks with Boris Yeltsin "confirmed again that not only are there no alternatives to Russian-American partnership, but also that it is irreversible.

"We have started to discuss specific topics, including regional ones, instead of just talking about general global issues. For example, a sitting of the CIS Council for Trade and Economic Cooperation, which was devoted to the Murmansk Region — Russia's main sea access to northern Europe and America, which have vast natural resources and enormous scientific-technical potential. Yevgeniy Komarov, the region's governor, and industrial managers took part in the discussion of the investment prospects."

According to Kozyrev, who represents Murmansk constituency at the State Duma, "the fact that the region is situated close to the rapidly developing Scandinavian countries is also important." "In the past few years we have managed to develop the mechanism for the Council of Cooperation of the Barents Sea region which ensures interaction between Murmansk Region, other regions of Russia's northwest, and the Scandinavian countries," he said.

"This cooperation, in essence, is a political phenomenon of recent times, the minister believes. Several states are taking part in it: Norway, a member of NATO; the European Union's new members Sweden and Finland; and finally, Russia.

"Political differences, specific interests, and membership in various organizations do not upset our dialogue; on the contrary, they enrich it," Kozyrev stressed. "I think that these specific features, such as the mechanism for interaction in the Barents Sea, create additional incentives for investments, both in Russia and abroad."

Kozyrev intended to visit Murmansk in the next few days on the way back from Norway, where he was expected to attend a sitting of the Russian-Norwegian intergovernment commission for economic, industrial, scientific, and technical cooperation on 26-28 June, but both trips were postponed. The postponement of the sitting of the Russian-Norwegian commission will not affect the development of cooperation since there is "never any break" in the actual work, Kozyrev believes. "The work goes on every day and it will not come to an end just because the commission holds its sitting two weeks earlier or two weeks later," he said.

Political Crisis Could Postpone Gore Visit

MM2306100095 Moscow IZVESTIYA in Russian 23 Jun 95 p 3

[Article by Vladimir Nadein: "Heated Debates in Duma Bring Cooling in Russo-American Relations"]

[FBIS Translated Text] Washington — Several measures linked with the upcoming fifth session of the Chernomyrdin-Gore commission, scheduled to be held in Moscow 28-29 June, had been planned for Wednesday in Washington. Only one of them, which started early in the morning, took place, as if by inertia. All the rest were canceled without explanation.

But the reason was the State Duma vote of no confidence in the Russian Government. Although there has been much criticism of the Russian authorities and President Boris Yeltsin personally in the American press, this outcome had not been expected.

The Kremlin's Chechnya policy started to generate sharp criticism in the U.S. Congress from the very beginning. The Clinton administration soon joined in, now without any provisos. The thoughtless conduct of the Chechnya war, which Yeltsin had blessed with hos own authority and never once doubted, struck a savage blow to Clinton's Russia policy, which was criticized, not without justification, for one-sidedness, expressed in the words "Yeltsin first." The Russian president's arrival in Halifax at the height of the bloody events in Budennovsk perplexed the American press.

The thing which most astounded the American public was the Russian leadership's clumsiness and the inappropriateness of the measures taken to the nature of the crisis. An immutable law which the West has derived from its abundant experience of combating terrorism is the safety of civilians. Buildings, aircraft, or ships seized by terrorists are only stormed if there are serious grounds for believing that hostages will not be hurt.

Many American commentators believe that the fact that negotiations were conducted by Premier Chernomyrdin, who intervened at the final stages, was in keeping with this immutable law. The Americans are writing that this style of resolution of the crisis was Chernomyrdin's own initiative. This initiative would hardly have gotten anywhere if the Russian president had not been abroad at the time, the mass media here have been claiming.

Proceeding from this premise, commentators are beginning to examine the gesture of no confidence in the government as a step aimed primarily against Boris Yeltsin. By returning a vote of no confidence in the government, THE WASHINGTON POST writes, legislators "expressed their displeasure with his (Yeltsin's) leadership of the recent hostage crisis in southern Russia and raised the level of confrontation in Russian politics."

There is particular concern in Washington that rabid anti-Western and primarily anti-American rhetoric was an accoutrement of the speeches of many of Yeltsin's critics. THE WASHINGTON POST quotes lavishly from the Duma speech by Sergey Glazyev, who leveled at Yeltsin the accusation that he and his pro-reform ministers are dancing to the tune of corrupt Western advisers in order to create a colonial-type economy.

Zhirinovskiy's comment that the West's objective is to unleash a civil war in Russia is cited without comment, as is his remark that an international mafia consisting of the World Bank, the IMF, and a trilateral commission consisting of the Rockefellers, the Rothschilds, and Jacques Attali, former head of the European Bank for Reconstruction and Development, is manipulating Yeltsin, stuffing him full of pills which directly affect his brain, and thus controlling him from a distance.

Among the characteristics of the present confused political situation in Russia THE WASHINGTON POST singles out the disagreements in the Russian leadership over the temporary cessation of hostilities in Chechnya. A dispatch from Moscow says that the leaders of the Ministries of Defense and Internal Affairs are demanding an end to negotiations and the resumption of combat operations.

The concentration of 16,000 Army servicemen and internal troopers in Moscow is seen not only as a preventive measure against a probable repetition of terrorist attacks by Chechen separatists but also as a force capable of countering unrest in Moscow itself, which Western commentators do not rule out.

Answering my question, a State Department official said that the question of canceling U.S. Vice President Al Gore's visit to Moscow has not yet been examined, "but a decision could come at any moment and will depend on the further development of events in Russia."

If the president and government prove incapable of resisting the flood of propaganda accusations and threats leveled at the United States, the session of the Chernomyrdin-Gore Commission could be postponed until a more propitious time.

The political crisis in Russia coincides with pessimistic prophecies by the Republican opposition and makes improbable any maneuvers by the Clinton administration aimed at resisting the measures to cut aid to Russia for which the Republican-controlled Congress has voted.

Foreign Ministry Urges UN Response on Bosnia

LD2206161895 Moscow ITAR-TASS World Service in Russian 1450 GMT 22 Jun 95

[By ITAR-TASS diplomatic correspondent Valeriy Sevryukov]

[FBIS Translated Text] Moscow, 22 Jun (ITAR-TASS) — Russia is trying to get the UN Security Council [UNSC] to react objectively and adequately to the continuing hostile operations by all those involved in the Yugoslav conflict with regard to UN personnel, the open lack of respect for the status of the peacekeeping forces, and opposition to the implementation of their mandate. This is reported in a statement that reached ITAR-TASS today by a Russian Foreign Ministry spokesman

The document notes that in the past few days, the government forces of Bosnia-Herzegovina have not only failed to stop blocking the peacekeeping contingents in their territory, where 568 Canadian and 86 Ukrainian "Blue Helmets" and 8 military observers have already become hostages of the Bosnian Muslims, but have also launched the latest foray by mining the exits from the Canadian peacekeepers' camp in Visoko.

In view of the situation that has arisen, the Russian representative at the UNSC on Wednesday sought for a second time this week to convene an emergency consultative session of the Council — firmly pointing out the inadmissibility of such hostile actions and demanding full respect for the security of UNPROFOR [UN Protection Force] and its freedom of movement. In this vein, the Russian side was agreeable to mentioning the fact that the Bosnian Serbs are hampering normal work at Sarajevo Airport in violation of existing accords.

Unfortunately, some UNSC members considered that on this occasion, a clear exposition of the Council's position was not necessary. As a result, the consultative session was not held.

The Russian Foreign Ministry fears that this silence may call into question the UNSC's impartiality in appraising the sides' actions in the conflict. "We are not coming out in favor of necessarily using force, air strikes, and the like," the Foreign Ministry spokesman says. "The main thing now is to attain a cease-fire. To this purpose, relevant pressure must be at last placed on the sides of the conflict that resist such a step and, by their actions, threaten the safety of the peacekeeping personnel."

Churkin Reports to Kozyrev on Yugoslav Trip

LD2206134395 Moscow INTERFAX in English 1213 GMT 22 Jun 95

[FBIS Transcribed Text] MOSCOW, June 22 (Interfax) — The Russian ambassador to Belgium, Vitaliy Churkin, met Russian Foreign Minister Andrey Kozyrev on Thursday to report on a recent trip to the former Yugoslavia, Russian Foreign Ministry sources told Interfax.

Churkin arrived in Moscow from Belgrade on Wednesday evening and the next day reported to Kozyrev on the results of his "semiofficial" mission in the Balkans, one of the sources said.

Churkin, who prior to his ambassadorial appointment was deputy foreign minister and President Boris Yeltsin's special envoy to the former Yugoslavia, early this week visited Belgrade and Pale, where he met Serbian President Slobodan Milosevic and Bosnian Serb leaders.

Some sources told Interfax Churkin, sent on his trip by the Foreign Ministry, had put before the Belgrade and Pale governments new Russian initiatives for breaking a current deadlock in the Bosnian settlement process.

The process has been stalled by the Bosnian Serbs, who have rejected a plan under which they are to receive 49% and the Muslim-Croat federation 51% of Bosnia-Herzegovina's territory. The plan has been proposed by the Contact Group, whose members are Russia, the United States, Britain, France and Germany.

Churkin Tries To Unblock Bosnian Impasse

MM2206120895 Moscow IZVESTIYA in Russian 22 Jun 95 p 3

[Report by Konstantin Eggert: "Churkin Asked Serbs To Remember the Past. What Is Behind Russian Envoy's 'Semiofficial' Visit to Belgrade and Pale?"]

[FBIS Translated Excerpt] Over the last few days, an upsurge in activity by international mediators' and continuing attempts by Bosnian government forces to break the blockade of Sarajevo has characterized the situation in the Balkans .

On Wednesday [21 June] Vitaliy Churkin, the Russian ambassador to Belgium, who had held two rounds of talks in Belgrade with Serb President Slobodan Milosevic and visited Radovan Karadzic, leader of the Bosnian Serbs, in his "capital" Pale, arrived in Moscow from Belgrade. The unexpected mission undertaken by Churkin, who quit his post last year as the president's special representative in the former Yugoslavia, elicited widespread conjecture, particularly since Vitaliy Ivanovich and his Serb interlocutors told the press nothing about the talks.

Smolensk Square [Russian Foreign Ministry] described Churkin's visit as "semiofficial." "It is a question of exchanging opinions and studying the situation," one diplomat working in the Balkan section remarked. However, IZVESTIYA learned from reliable sources that Churkin did indeed bring Milosevic and Karadzic the latest proposals on unblocking the peace process. The plan boils down to an attempt to persuade the Bosnian Serbs to accept the Contact Group plan, envisioning their being given 49 percent of Bosnia-Herzegovina (the Serbs currently hold about 70 percent). In exchange Karadzic and his people will be guaranteed the right to enter into a "special relationship" (diplomats do not like the word "confederation") with Serbia. The Muslim-Croat federation in Bosnia already has a similar alliance with Croatia.

In effect, the question has been raised of going back to the ideas voiced at the Contact Group foreign ministers' meeting in Geneva late last July. It is hard to say now what will come of these meetings. Karadzic is only prepared to accept the Contact Group's proposal as a basis for talks, whereas everyone else is insisting that the plan should be approved as a whole, after which the Muslims and the Serbs can coordinate an equivalent exchange of individual territories. In that case, even if the bargaining fails to achieve anything, the fundamental basis of a settlement will already have been established. [passage omitted]

Ivanov on Country's Pan-European Security Position

BR2206144195 Madrid ABC in Spanish 22 Jun 95 p 37

[Article by Igor S. Ivanov, first deputy foreign minister: "Russia-NATO"]

[FBIS Translated Text] On 31 May the Russia-NATO individual association program was implemented as was the document entitled "Areas for Broad and In-Depth Dialogue and Cooperation Between Russia and NATO." Thus, we have entered a new stage in our relations with the alliance. However, this does not mean — indeed, far from it — that the old problems have disappeared or that we have changed our negative attitude toward NATO's plans for enlargement.

When the NATO Council, at its December 1994 session, gave impetus to the idea of enlarging the alliance, we tried to clearly explain the reasons for our concern and at the same time offer realistic alternatives for European policy. It was not a question of "vetoes" or "neoimperialist ambitions," as some people subsequently tried to present it. What Russia did, in fact, was use its right to warn its partners in the West and in Central Europe about the imprudent steps which, once taken, could shake up the entire European structure, provoke fresh schisms, augment distrust, and even revive confrontation.

For this very reason, the key word for Russia in its European policy is not "enlargement" but "association." We can note with satisfaction that Russia's voice was heard. Today, the European countries, together with the United States and Canada, are actively discussing the problems of forming a new European and universal security system. This is reflected in the joint declaration by the presidents of Russia and the United States on the results of the recent summit in Moscow — as well as in the communique from the last session of the NATO Council, held on 30 May in Noordwijk, where for the first time it was clearly said that there was a need for active participation by the members of the alliance in the discussion of the Russian proposal to create a new 21st century security model for Europe.

I am certain that the efforts of the Europeans and North Americans have to be channeled toward the construction of a united, indivisible, stable, and democratic Europe. Nobody today has the security model for the future. This has to be created jointly, taking account of current and projected challenges to European stability which are not derived from a military threat but primarily from ethnic conflicts. economic imbalances, massive migration, and so forth.

It is not necessary to explain to the Spanish people what separatism and aggressive nationalism mean. These monsters currently rearing their heads cannot be vanquished by a frontal assault by a military bloc better suited to Cold War conditions with the Cold War's inherent global confrontation.

It is only through cooperation "across barriers" and working openly that it is possible to effectively prevent crises and settle conflicts, carry out peacekeeping operations, combat the proliferation of weapons of mass destruction and illegal drug trafficking, to moderate social and migratory pressure, to overcome economic and technological inequality, and to clean up the environment. Russia's considerations about the pan-European security model move precisely in this direction. We believe that in the process of creating this model it is essential, above all, to stipulate the basic concept of European security, namely its indivisible nature. The military element must not dominate. We will have to give some thought to how we will ensure mutual complementarity and the coordination of the efforts of the existing multilateral structures and institutions.

Moreover, in view of this, we can see a synthesis of the fundamental processes which influence European development: the evolution of integration within the framework of the EU and the CIS; the transformation of NATO; and the consolidation of the OSCE. The increase in NATO's political role and the reestablishment of new relations between Russia and the alliance. In our relations with NATO — and now we base ourselves on the association programs that have been implemented — we are thinking of concentrating on creating an efficient mechanism for political consultation. This mechanism will make it possible, in particular, to avoid disputes similar to those that have arisen throughout the conflict in Bosnia. We are going to develop contacts in military and technical spheres, among others. This operation should be adjusted to fit in with Russia's role in European and world affairs — in other words, our policy vis-a-vis NATO derives from the basic principle of genuine association. Let us hope that NATO will act in the same way.

Fear of NATO 'More Emotional Than Practical'

MM2306104795 Moscow IZVESTIYA in Russian 23 Jun 95 p 3

[Article by Konstantin Eggert: "Kremlin Has More Important Problems Than NATO"]

[FBIS Translated Text] Over the past two years the fight against NATO expansion has become the cornerstone of Russian foreign policy. The adoption of the Partnership for Peace Program, designed to ease the conflicts between Moscow and the West, ultimately only exacerbated them.

The conflict culminated in Andrey Kozyrev's refusal to approve the enactment of the partnership program for Russia in December 1994. Brussels was accused of trying to bring Central Europe into NATO "via the back door." The light appeared if not at the end of then in the tunnel after Andrey Vladimirovich nonetheless signed in May in Noordwijk the document that had been left unratified in December.

"The pause that began six months ago ceased to be in our interests," Smolensk Square [Foreign Ministry] now admits. "Even a difficult dialogue is better than a total absence of dialogue." Western diplomats are more brusque. "You have wasted time and have gained nothing," one said, "The huge NATO planning apparatus is impatiently waiting to have meetings with the Russian military. They are ready to offer them more under the partnership program than your officers are prepared to accept. We want to use Partnership for Peace to change the psychological climate on the continent. Ultimately it is hard to raise a hand against people whom you have gotten accustomed to seeing frequently."

Our politicians usually cite the following arguments for opposing NATO's expansion. First, this process plays into the hands of "reactionary forces" in Russia and will make it difficult for democracy to develop. Second, it supposedly "isolates" a great power and divides European states into "first-class" (members of the bloc) and "second-class" (everyone else). Furthermore, they usually cite the Russian public, who instinctively fear "Western invasion" in the shape of NATO.

These arguments are more emotional than practical. Despite the decades of Soviet propaganda, NATO does not pose the kind of threat that will cause a massive increase in Zhirinovskiy's or Zyuganov's electorate. Their voters are worried by quite different things. The paranoid fear of isolation has generally throughout Russian history been due to an inability to seek and find compromises in foreign policy.

"The expansion of NATO will increase conservative sentiments among the military elite. That is hardly the only real negative consequence of the bloc's eastward expansion for Russia," Dmitriy Trenin, an expert from the Moscow branch of the Carnegie Foundation, believes. "The opportunity for our top brass to integrate psychologically with those in the West was lost in 1992. Then they still wanted to be like U.S. General Normal Schwarzkopf, the commander of Operation Desert Storm. Today people from Arbat Square [Defense Ministry] are more impressed by Yermolov or Skobelev."

Trenin thinks that rapid expansion of the North Atlantic alliance could result in changes in the Kremlin's military doctrine that the West would find unfavorable. However, endlessly pandering to the anti-Western sentiments of the military elite and a section of public opinion only postpones the prospect of a civil society's emerging and a strategic partnership's being established with the West as a whole and Europe in particular.

The latter is inevitable: Next century China can be expected to become an economic and military superpower — which promises to cause fresh headaches for Moscow in the Far East. Islamic fundamentalism and the unpredictability of the Near and Middle East will maintain the tension on our borders' southern perimeter. At the same time a major war in Europe looks increasingly less likely and the trade and raw materials interdependence of Russia and the industrially developed countries is becoming increasingly preordained. If it gets carried away with propaganda battles over NATO, Moscow cannot avail itself of the real opportunity to take part in resolving the broader and more significant problem of shaping a new security system not only in Europe but also in Eurasia. It is a question of a new future for the Old World, but the Russian political elite does not yet seem to have realized this.

The debate among North Atlantic alliance members about its future is far from over. "The bloc's specific mission is not entirely clear now that the Cold War has ended. This still has to be defined. How can you expand the ranks of an organization which does not have clear objectives for the future?" — that is the view of a high-ranking diplomat from one NATO country. In his view, its current members "will never send their soldiers to die for Prague. Eastward expansion will inevitably dramatically weaken the world's most sophisticated military organization."

Karl-Heinz Kamp, a researcher at Germany's Adenauer Foundation, is convinced that maintenance of the U.S. nuclear umbrella over Europe will be unlikely if NATO moves in an easterly direction, extending Washington's "zone of responsibility." "The Kremlin is exaggerating the monolithic nature of the alliance. The train eastward is traveling far slower from Brussels than your politicians think," an EU diplomat believes.

In striving to join NATO Warsaw, Prague, Budapest, and Bratislava are hoping not only to protect themselves against the unpredictability of their eastern neighbor but also to make a psychological break with the legacy of Yalta in becoming, if you will, the eastern part of West Europe. What is more, membership of the alliance for these countries provides an additional guarantee of a stable balance of interests with Germany, from which they have suffered plenty in the past.

Moscow's reluctance to take this as given will only delay the formulation of a realistic and vigorous policy toward the Central European region. The best brains at the Foreign Ministry, the Ministry for Foreign Economic Relations, and analysis centers should be concentrated on this rather than on the far more remote and less important Balkans. "Russia is ignoring the rapidly developing Central European market," a staffer at a Western embassy in Moscow is convinced. "Moreover its own economic potential may be very appealing to its former allies. Chernomyrdin's recent trips to Poland and Slovakia demonstrated that all that is needed is persistence and consistency. The changing economic realities are forcing the Poles, Czechs, and Hungarians to think seriously about overcoming their own stereotypes."

Czech Republic President Vaclav Havel said recently: "NATO must state unequivocally that it does not consider Russia an enemy and that it wants to establish a strategic partnership with it. If necessary, this must be enshrined in a corresponding agreement." Our neighbors see such an accord as providing them with additional guarantees.

Incidentally, according to confidential sources, Kremlin representatives recently discussed with ambassadors from two NATO states the possibility of Russia and the alliance's simultaneously providing the countries of Central Europe with official security guarantees. That could be a suitable compromise, at least in the near future.

Policy Council Report on NATO Expansion

954Q0225A Moscow NEZAVISIMAYA GAZETA in Russian 21 Jun 95 p 2

["Document" under rubric "Politics": "Russia and NATO: Theses of the Council on Foreign and Defense Policy"; first five paragraphs are editorial introduction]

[FBIS Translated Text] These theses represent the results of the work of the SVOP [Council of Foreign and Defense Policy] working group on Russia's policy with respect to NATO. It was composed of SVOP members participating in it in a nonofficial capacity, noted experts, deputies, and high-ranking representatives of foreign policy and enforcement agencies. The group's effort was coordinated by S.A. Karaganov. The working group held a series of meetings and seminars, including with the participation of foreign specialists, and issued a number of memorandums. The group used in the preparation of the theses articles and research by such specialists as A.G. Arbatov, A.A. Belkin, G.D. Ivanov, P.S. Zolotarev, A.A. Kokoshin, A.A. Konovalov, A.V. Kortunov, S.V. Kortunov, S.K. Oznobishchev, A.K. Pushkov, S.M. Rogov, D.B. Ryurikov, D.V. Trenin, Yu.A. Tsarev, and a number of others.

The working group is grateful to T.V. Borisov and A.A. Belkin, who organized its work and preparation of the theses.

The theses were discussed at the meeting on 25 May 1995, with the participation of SVOP members, invited politicians and experts, and high-ranking figures in foreign policy and enforcement agencies. Additional work was subsequently done on the theses that incorporated the results of the discussion, and then the SVOP members, along with the politicians and experts who agreed with their main contents, signed them. In keeping with SVOP tradition, representatives of the executive authorities—even those who agreed with the theses' contents—as a rule refrained from signing them. Those among them who signed the theses did so in a personal capacity. Not all propositions in the theses necessarily fully reflect the views of each signatory. Rather, they reflect a broad consensus on their basic philosophy. The theses were signed by:

SVOP members—L.I. Vaynberg, chairman of the board of directors of the Russian Bank for Reconstruction and Development, president of the Association of Joint Enterprises and International Associations and Organizations, president of SOLEV international association; V.V. Vinogradov, president of AB Incombank; A.P. Vladislavlev, vice president of the Russian Union of Industrialists and Entrepreneurs; A.I. Volskiy, president of the Russian Union of Industrialists and Entrepreneurs; A.V. Dolgolaptev, deputy chairman of the Federation Council of the RF [Russian Federation] Federal Assembly; V.O. Ispravnikov, vice president of the Free Economic Society of Russia; S.A. Karaganov, deputy chairman of the RAN [Russian Academy of Sciences] Institute of Europe, member of the Presidential Council, chairman of the SVOP collegium; O.V. Kiselev, chairman of the board of directors of AO [joint-stock society] Mosexpo, member of the Presidential Council; Ye.M. Kozhokin, director of the Russian Strategic Research Institute; V.P. Lukin, chairman of the State Duma of the RF Federal Assembly's International Affairs Committee; I.Ye. Malashenko, general director of NTV [Independent Television Company]; M.V. Masarskiy, president of the Association of Enterprise Managers; N.V. Mikhaylov, president of the VYMPEL Interstate Joint-Stock Corporation; S.A. Mndoyants, general director of the Foundation for Development of Parliamentarism in Russia; A.V. Mordovin, deputy chairman of the SVOP collegium, aviation major general (reserves); A.K. Pushkov, director of public relations and member of the board of the ORT [Public Russian Television], political columnist for the MOSKOVSKIYE NOVOSTI newspaper; A.M. Salmon, director of the Russian Sociopolitical Center; V.T. Tretyakov, editor in chief of NEZAVISIMAYA GAZETA; A.V. Fedorov, chief of the Bureau for Special Information; S.N. Fedorov, general director of the MNTK [Interbranch Scientific and Technological Combine] Eye Microsurgery; I.M. Khakamada, State Duma deputy, chairwoman of the Common Cause association, president of the Women's Liberal Foundation; A.V. Tsalko, president of the "Fatherland" Association for Social Support of Discharged Military, aviation major general (reserves); I.Yu. Yurgens, first deputy chairman of the General Confederation of Trade Unions; S.N. Yushenkov, chairman of the State Duma Committee on Defense;

and also those not members of the Council—V.P. Averchev, secretary of the State Duma's International Affairs Committee; A.G. Arbatov, State Duma deputy, member of the committee on defense; O.T. Bogomolov, deputy chairman of the State Duma's International Affairs Committee, director of the RAN International and Economic Research Institute; V.V. Zhurkin, director of the RAN Institute of Europe; P.S. Zolotarev, chief of the Information-Analytic Center of the RF Ministry of Defense, major general; S.N. Kondrashov, political columnist with the IZVESTIYA newspaper; A.A. Konovalov, director of the Center for Military Policy and Systems Analysis of the RAN Canada and the United States Institute; A.V. Kortunov, deputy director of the RAN Canada and the United States Institute director of the Moscow branch of the Russian Science Foundation; V.I. Krivokhizha, deputy director of the Russian Strategic Research Institute; V.V. Naumkin, deputy director of the RAN Institute of Oriental Studies; V.A. Nikonov, chairman of the State Duma's international security and arms control subcommittee; S.K. Oznobishchev, director of the Center for International Security Problems of the RAN Canada and the United States Institute; A.A. Piskunov, deputy chairman of the State Duma's Committee on Defense; V.N. Podoprigora, chairman of the Federation Council's International Affairs Committee; P.G. Premyak, deputy chairman of the Federation Council's Committee on Security and Defense Questions; K.E. Sorokin, sector chief of the RAN Institute of Europe; and D.A. Trenin, sector chief of the RAN Institute of Europe.

1. THE POLITICAL CONTEXT: THE INTERESTS OF THE WEST, THE COUNTRIES OF CENTRAL AND EASTERN EUROPE, AND RUSSIA

The plans to expand NATO by accepting into it a number of countries of Central and Eastern Europe (CEE), which have caused lively and occasionally rather heated and testy discussions on both sides of the Atlantic, may lead the West and Russia to the first post-"cold war" crisis in their relations.

Today, as Russia has already "recovered" from its pro-Western romanticism, which only stood in the way of developing a normal partnership, the danger has arisen of a swing to the other extreme—falling into "Soviet," rigidly confrontational rhetoric, which in every respect will work against Russian national interests.

The threat of isolation or self-isolation is quite real. There are political groups in the West that want us to take a misstep and provoke the beginning of a new "cold war." In Russia too, there are various forces that would like to provoke a crisis in our relations with the outside world, recreate the hostile environment, revive the "siege mentality:" For some, this is the only sure road to power; for others—an "iron hand" way to strengthen their hold on power.

Responsible people in the political leadership of Russia and Russian society should not permit either a "freeze" in cooperation with the West—a "cold peace"—or, even less, permit the country to be pushed into a new military-political confrontation with the West. At the same time, encroachment on Russia's long-term interests, which may happen in the event of NATO's expansion, is not permissible either. In this connection we need to:

understand others — the motives and interests of our partners in NATO, Central and East European countries, and CIS countries in the question of NATO expansion,

understand ourselves — define our national interests in relation to this problem,

select optimal options of political behavior for ourselves and propose to our partners mutually acceptable options for joint solutions.

1.1. The Interests of the West

1.1.1. A score of divergent interests are behind the intention of some in Western ruling circles to achieve an expansion of NATO. Main among them (figuratively speaking, the "proportional share" comprises more than 50 percent of the entire sum of interests that are behind the drive for expansion) is the attempt to preserve the vitality of the Atlantic alliance, and reinforce the foundations of the common security and defense policy defined by the Maastricht treaty. Also common for Western countries is an interest in strengthening NATO as an instrument of keeping the United States in the European system. Accepting Central and East European countries into NATO also is seen as a method of controlling the actions of Germany in this region of Europe.

Having lost its main goal of the past — containment of the military and ideological threat presented by the USSR — NATO entered an era of inevitable systemic crisis. All attempts to find a new use for the alliance: "containing" the threat from the south, peace-keeping, and so on — did not result in full replacement of the alliance's main goal. At the same time, circles connected with NATO lacked the political resolve to begin a cardinal transformation of the alliance of the kind that would result in it becoming a foundation of the new system of collective security in Europe.

In this situation, a considerable number of the political, bureaucratic, and academic circles that are associated with NATO and depend on it advanced the slogan "expansion or death," believing that the alliance would create new goals for it and extend its existence.

Such moods are particularly strong in the United States, where obligations toward the North Atlantic Treaty are considered the most important foundation for the American military-political presence in Europe and the main instrument of supporting American influence on the continent in the environment of an across-the-board decline of such influence and a strengthening of other centers, first and foremost Germany.

Germany has its own special interests. For it, Central and East European countries' membership in NATO is an ideal form for a German zone of influence in this region, since the West and Central and East European countries will be reassured by the ability to control Bonn's actions here through the alliance mechanism.

In addition, there are perceptions that an expansion of the EU and WEU [West European Union] without a simultaneous expansion of NATO is impermissible. On the other hand, those prompted by this sort of consideration do not insist on the fastest possible expansion of NATO.

Having discovered, through the example of the German unification, the horrendous cost of "pulling" former socialist economies up to Western standards, West Europeans are quietly revising the schedule that envisaged Central and East European countries' entry into the European Union as soon as the end of the century. Now for all intents and purposes it has been postponed indefinitely, and the Eastern neighbors have been offered membership in NATO as a form of "compensation."

1.1.2. There is interest in West European countries, especially in Bonn, in strengthening its immediate periphery under the conditions of slowing reform in Russia and the persisting threat of instability.

1.1.3. There is also the intention (especially noticeable in the United States) to solidify geopolitical gains obtained as a result of the "cold war," so that Russia, even after emerging from the crisis in the future, cannot adequately strengthen its political influence in Europe.

1.1.4. We also need to take into account the hopes of an absolute minority of Western politicians to provoke a new, even farcical if need be, "cold war" in order to restore, at least for a while, NATO's main "system-forming principle" — the thesis of the "threat from the East."

1.1.5. A factor that helped strengthen to a considerable extent the positions of supporters of NATO's expansion (both in the West and in Central and East European countries) and weaken the positions of Russian diplomacy are miscalculations in Russia's own domestic policy, first and foremost the armed conflict in Chechnya, the methods of making the initial decision to start it, and the means of conducting it.

1.2. The Interests of Central and East European Countries

1.2.1. The interest on the part of the higher political leadership of Central and East European countries to join NATO was to a considerable extent initiated and is being stimulated by Western supporters of the expansion.

1.2.2. At the same time, Central and East European countries also have their own reasons for wishing to join. Among them are:

the desire to quickly integrate themselves in the Western community, "return to Europe" (if they cannot do it through the main entrance — the EU, then at least through the "side door" — NATO), to fill the vacuum that has emerged in the Central and East European countries (which was helped by the fact that Russian diplomacy almost completely ignored this region; the new Russia, which failed to ever make its presence felt in the region, was unable to change the image it had inherited from the USSR);

the hopes (let us note right away: almost certainly illusionary) of getting closer, through membership in NATO, to its main goal — EU membership;

the desire to partially balance the dominant role of Germany in the region through participation in a unified alliance;

the fear of aggressive regeneration or destabilization of Russia and Ukraine; there also are simply anti-Russian moods;

the desire to at least partially protect themselves in the event of domestic social perturbations;

a relatively small part of Central and East European supporters of NATO expansion perhaps cherish vague hopes that an expansion of NATO, provoking a confrontation with Russia, will turn their states into "frontline" states, with the attendant increased political support, economic aid, and so on;

and finally, the aspirations, common in such cases, on the part of a small segment of the elite to gain prestigious and well-paid jobs in NATO structures.

1.2.3. Most of these interests are understandable and legitimate. The desire of Central and East European countries to join NATO or any other union also is completely legitimate. In principle, it is in Russia's interests to have stability in the countries of the region and their political leadership feel relatively safe. But from there on, the interests of Russia and Central and East European countries with respect to NATO expansion partly diverge: Russia does not consider these countries' entry into NATO an optimal and balanced response to their concerns, since in this case Central and East European countries' security will be ensured at the expense of the security interests of Russia.

1.3. Russia's Main Interests

1.3.1. The fundamental geostrategic interest of Russia is in preserving and developing if not a strategic union then at least good relations with leading Western states and their alliances. Keeping in mind the current and especially future geostrategic position of Russia, its economic interests and cultural and historic traditions, our country has a fundamental interest in a close strategic union with the rest of Europe, in its full-fledged participation in the common European system of collective security.

NATO's expansion may be the beginning of the formation of such a security system, in which there will be no place for Russia's full- scale participation. However, an effective and reliable system of security in Europe is impossible without the participation of both NATO and Russia.

1.3.2. The situation could change in the event of Russia becoming a full member of NATO. This would open up prospects for real (not declarative) full-scale cooperation between Russia and NATO. However, a sober evaluation of such a prospect indicates that it is not very likely;

first, NATO countries do not want it — at least as long as the situation in Russia remains insufficiently stable and not quite predictable;

second, the political leadership of Central and East European countries, which fears finding itself in the shadow of Russia even in NATO, will object;

third, we should admit that many strata in Russian society are not ready for it; a considerable part of the military leadership rejects this idea too.

1.3.3. Nevertheless, Russia has an interest in the existence of NATO in its current capacity of a guarantor of stability in relations along the West-West axis, as well as in fundamentally reforming and strengthening it as soon as possible as an effective mechanism of European stability, capable of becoming one of the foundations of the new architecture of collective security on the continent. The North Atlantic Treaty Organization as a defensive military-political union of democratic states does not represent a military threat to democratic Russia. Even in the event of NATO's expansion, military danger most likely will not increase.

However, Russia cannot disregard its other fundamental interest — achieving and strengthening social, political, and economic stability inside the country.

It is from this standpoint — political-psychological — that NATO expansion runs counter to Russia's national interests. The danger is in developing a feeling of military-political isolation of Russia, of the revival of anti-Western and militaristic bias in the public mind.

This is even more true because the West did not find (and could not find) any arguments capable of convincing Russian society that its fundamental interests are met by a speedy advance of NATO to Russian borders by accepting into the alliance former USSR allies, who actively use in their narrow interests the "Russian imperialism" card, while Russia itself remains outside the bounds of the expanding Atlantic union.

1.3.4. The decision to expand NATO to the east most likely will lead to a number of negative consequences both for Russia itself and for international security:

it may exert a decisive influence on such domestic political changes in Russia that will turn it into a revisionist power, interested in undermining instead of strengthening the political order in Europe that is not developing in its favor,

in Russia, it will thoroughly undermine the trust toward policies of the West, which made a decision to expand NATO in violation of an implicit obligation not to expand the alliance after the USSR agreed to German unification, as well as Central and East European countries' statements that they have no intention of joining it after the disbandment of the Warsaw Pact, and, as a result, will not only provide an additional boost to the positions and arguments of radical anti-Western isolationist forces but will also prompt an anti-Western shift among a large number of even traditional Western-oriented elites, This will undermine the geopolitical, as well as conceptual, foundation of most arms limitations arrangements; everybody will lose, including Russia; the predictability of the military-political situation will diminish, and new arms race channels may emerge,

the disappearance in Europe of the belt of de facto neutral and as a rule poorly armed states, which emerged in the center of Europe as a result of the Warsaw Pact's disintegration, will deprive Russia of one of the main advantages it achieved as a result of its withdrawal from the "cold war," which will not only increase the sense of injustice but will result in new fears and may strengthen the position of militarists and a militaristic mentality on both sides,

this may give Russia justification and an additional stimulus to search for strategic allies — at least temporarily — in the South and the East; the rivalry in Central Asia outside the boundaries of the former USSR and in the Middle East will flare up again,

Russia will be forced to intensify activities in the area of creating an effective system of collective security in defense within the CIS framework, which will not only exacerbate the division in Europe but also may entail additional, and extremely ruinous, defense expenditures, because Russia will be left with poor and weak allies,

adamant opponents of NATO expansion in Russia will get the opportunity to write off to Western — first of all U.S. — "dishonesty" toward Russia both the failure of reforms in the country and the humility of its current status in the world,

in order to neutralize the potentially increasing sense of vulnerability as a result of an even more dramatically changed geostrategic balance and insure itself from possible political pressure, and its partners — from the temptation to take advantage of this change — Russia probably will be compelled to study the possibility of increasing political reliance on nuclear "containment" in Europe.

1.3.5. If NATO expansion occurs before the cooperation between Russia and the West on a broad range of problems qualitatively improves, this will most likely result in a further limitation of Russia's capabilities in the international arena, first of all with respect to the dialogue with the West on political, economic, and other issues.

1.3.6. Finally, while semi-resolving one problem in the center of Europe — attenuating the sense of "strategic restlessness" among some political top echelons in Central and East European countries — NATO expansion will create a number of incomparably more dangerous problems. Among them is turning the Baltics and possibly Ukraine into a zone of acute strategic rivalry. The Baltic states' desire to join NATO, which will only increase if the alliance is expanded through the inclusion of Central and East European countries, as well as any talk and maneuvers around further expansion, will create a potential source of real crisis in the center of Europe.

2. RECOMMENDATIONS

2.1. What We Should Not Do

2.1.1. First of all, we should not proceed on the assumption, which is being imposed on us, that the decision to expand NATO, let alone the expansion itself, is inevitable. This is far from so. With an active and sensible policy, the alliance's expansion can be postponed for a long time or even avoided altogether.

2.1.2. We should not conduct official and even semi-official negotiations on the subject of "compensating" Russia for NATO expansion.

Such negotiations would only produce the impression of Russia's consent to expansion, and clear the way for a decision on expansion. Most "compensatory" measures will almost certainly be automatically made available to Russia in the event of expansion. Besides, such talks would prompt Western partners to accumulate "bargaining trump cards," and would protract or delay the resolution of problems that could be resolved in the process of normal diplomatic dialogue.

Unfortunately, a number of statements by Russian representatives in January-February 1995 were interpreted by the West as the beginning of negotiations on "compensations" and the basis for statements that Moscow is agreeable to the alliance's expansion. This was detrimental to our national interests.

2.1.3. We should not fall for the strategy of expansion supporters aimed at gradually luring Russia into cooperation with NATO without the alliance giving clear guarantees at least to the effect that a concrete decision on expansion will not be adopted within the next four to five years.

2.1.4. It is unrealistic to hope that Russia-NATO cooperation will develop in parallel with the process of the alliance's expansion:

first, attempts to develop cooperation seriously facilitate expansion, since in a way they indirectly remove the factor of its nonacceptance by Russia;

second, the domestic political reaction in Russia to the alliance's expansion will nullify the potential for such cooperation.

Unfortunately, even the most remote prospect of the alliance's expansion already perceptibly reduces the potential for Russia-NATO cooperation because of, first and foremost, Russian domestic psychological-political reasons.

In these circumstances, the proposals to draft an agreement on Russia-NATO cooperation — without the alliance taking upon itself the obligation to postpone for at least several years the decision on its expansion to the East in order to give cooperation, let alone a partnership agreement, enough time to begin working — are even more counterproductive.

The Partnership for Peace program can play a positive role only if it replaces NATO expansion. If, however, efforts are made to achieve a fast — sooner than in four to five years — decision on expansion, the program is doomed to inaction and may even become counterproductive.

2.1.5. It is apparently also counterproductive to bet on the possibility of a quick transformation of NATO that could make the alliance's expansion more palatable for Russia in the psychological and military-political respect.

First, we do not see in NATO itself the readiness for a fundamental transformation of the alliance from collective defense in the direction of collective security.

Second, Russian public opinion apparently is not yet ready to accept the expansion of even a transformed alliance as something not hostile to Russia's interests. Unfortunately, hasty statements on the intention to expand the alliance reversed the favorable trend of changing for the better NATO's image in the eyes of the Russian public.

We could fall into our own trap: We will be informed — albeit with the best intentions — of the decision to transform the alliance, but real transformation will be dragged out or derailed.

2.1.6. Speaking of possible countermeasures, we cannot bluff, declare steps that are unimplementable or too expensive — such as, for instance, a large-scale increase or redeployment of general-purpose forces. Expensive military countermeasures will only ultimately undermine our economy.

2.1.7. Also impermissible are statements distorting Russian intents and interests with respect to Central and East European countries, in particular, of a certain desire "to keep them under our control." Russia's interest lies not in controlling these states but in maintaining good-neighbor relations with them.

2.1.8. We should not permit the entire Russian policy with respect to the West to be excessively focused on the problem of NATO expansion. It is only part, although in many respects a key one, of a much broader picture. By excessively concentrating on this problem, we may reduce our room for maneuver.

2.2. Resources We Can Count On

2.2.1. There is no consensus in Western ruling circles on the subject of the expediency of NATO expansion. We may even assume that supporters of the expansion are in the minority. At the same time, they hold important positions in decisionmaking mechanisms. So far they are the most active. Their position — that NATO should "respond" to the appeals of Central and East European countries, which suffered most from the "Yalta" policy and the "cold war" — is a morally winning one. Finally, they have been able to take advantage of the passivity of Russia's European policy in the Central and East European direction.

We should not forget that NATO is a collective organization operating on the basis of consensus. This nature of the alliance provides broad possibilities for influencing its development.

As the possibility of expansion approaches and its costs — economic and military-political — become clearer, the ranks of the opponents of expansion may grow and their resistance consolidate. This can be helped to a decisive extent by debates in political and academic circles of NATO countries, first and foremost in the United States. Such debates could render the adoption of a hasty "political decision" on expansion impossible.

The strengthening of the influence of the opponents of expansion depends to a considerable extent on Russia's position, on sensibly combining firmness and flexibility in its diplomacy. Those skeptical about expansion already predominate in the defense establishments of most NATO countries, as well as in political circles of a centrist and moderately conservative bent.

2.2.2. The positions of potential opponents of expansion are particularly strong in such countries as Portugal, Spain, probably Italy, Great Britain, and France, and definitely Greece. These countries fear either an outflow of resources or a decline in the alliance's strategic attention to problems most vital for them, in particular, the threat of the spread of instability from the former Yugoslavia, instability and migration from Northern African countries, and so on.

2.2.3. In the currently developing situation, Russia can interact not with the frequently marginal opposition, as the USSR did in the past, but with the main groups in Western countries' ruling classes that consider the decision dangerous or too costly. With a sensible policy in its strategy of countering the expansion, Russia can work not against the West but instead in an overt or covert union with a considerable part of its ruling circles. Instead of working against the West, we should help it avoid a mistake, dangerous for everyone, first of all for itself.

2.2.4. Expansion is a lengthy process, which may be divided into at least three stages:

before the decision on expansion,

after the decision, while negotiations are conducted on conditions of joining, treaties are prepared for signing and then ratified, and

after ratification.

At each of these stages there will be an opportunity to "plug into" emerging problems, participate in the discussions, impose them, encourage policy modifications, and increase the potential political costs of expansion.

2.2.5. Russia has enough experienced diplomats and specialists capable of working out and implementing a sufficiently flexible strategy. We are not longer bound by ideological dogmas, unless we create new ones. All we need is to organize the existing potential.

There is something close to a consensus in the leadership circles of NATO with respect to nonacceptance of NATO expansion. Such considerable unity provides a number of potential advantages.

There are several dozen people in Russian society — politicians, experts, businessmen — who are trusted and well known in the ruling circles of the West. There is a broad network of contacts between public, political, and business organizations.

A constructive role can also be played now by a democratically elected parliament, especially if its leaders can work out an agreement with the executive branch on cooperation in their actions.

2.2.6. The situation is such that while the country has good chances for an effective foreign policy game, it may not utilize them because of its disorganized foreign policy mechanism.

The main problem is the glaring lack of coordination in Russian foreign policy both on the scale of the entire executive authority and at the level of some agencies.

Neither the president's staff nor the Security Council staff have enough manpower or authorization for effective policy coordination.

Another weakness of the resource base of Russian policy also is the sharply diminished ability of information influence.

2.3. What To Do

2.3.1. The first and foremost condition for the successful realization of any strategic and tactical plans — the organizational one — is the fastest possible reform of the foreign policy mechanism. Without this, we are doomed to failure.

We need to return to the idea put forward by the president in his annual address to the Federal Assembly: create a special body for policy drafting and coordination right in the presidential staff. Within the framework of this body, it is necessary to create a special unit on the policy toward European security and NATO.

2.3.2. Russian policy's strategic (long-term) goals should be as follows:

breaking the linkage between NATO expansion and the development of our partnership with the West as a whole and NATO in particular;

creating a "window of opportunity" for developing close military- political cooperation with NATO and other Western organizations, as well as individual countries in the West;

averting the expansion of NATO, while at the same time finding compromises that will satisfy to a maximum extent the interests of Central and East European countries, as well as those countries and circles in the West that support expansion;

if expansion nevertheless occurs, integrating it into the process of forming a new system of collective security.

The medium-term goal: complicating and delaying implementation of the decision on expansion if such a decision is made after all.

The short-term goal: achieving maximum postponement of the decision on the alliance's expansion and gaining time for a stabilization of Russia's economic and sociopolitical development, for overcoming xenophobic stereotypes and isolation mania. This will considerably improve the chances for developing a Russia-West dialogue on a broad range of issues and reduce potential negative political-psychological consequences of NATO's expansion.

2.3.3. The strategy should not be directed against the West, and especially against Central and East European countries. The key role in it should be assigned to the element of cooperation with those in the West who do not want new schisms, the emergence of new sources of conflicts, Russia turning into a "revisionist" power, those who fear the weakening rather than strengthening of NATO as a result of expansion, and so on.

2.3.4. Russia must reaffirm its fundamental interest in being part of the European (Euro-Atlantic) system of security and its intention to strive for the creation in Europe of a system of collective security able to meet the real challenges to stability, emanating first of all from Southeastern Europe and a number of regions of the former USSR — not from the Central and East European region, which is distinguished by a high degree of stability.

We need to start a conversation of substance with the West (first of all along the lines of foreign policy and defense agencies) on the criteria of NATO's transformation, meaning the organization's transformation in the final analysis into a political structure and the foundations of a new European system of collective security.

One of the versions of such a system is developing the OSCE [Organization for Security and Cooperation in Europe], turning it in the future into a regional organization of the United Nations, and potentially creating a governing body of this organization made up of permanent members of the UN Security Council (Russia, the United States, France, and Great Britain), bringing Germany* into it, as well as representatives of the main European organizations (EU, WEU, NATO, CIS). [*Footnote: This may be seen as the first step on the road of these states gaining a permanent seat in the Security Council.]

Russia should also offer other versions of creating a system of collective European security — for instance, on the basis of a special agreement or on the basis of transforming NATO into an all- Europe system of collective security with inarguable priority given to the inclusion of Russia.

2.3.5. Russia must prepare itself in advance for the eventuality that if NATO nevertheless does embark on quick expansion and thus weakens the possibility of Russia cooperating with it, the latter must compensate by increasing cooperation with other organizations, as well as by bilateral interaction with European powers.

2.3.5.1. In particular, it would already be expedient to begin to expand military-political interaction with the EU and WEU.

The time apparently has come to begin work on expanding interaction in the military-political area, to the point of developing a series of bilateral military-political agreements with such countries as the United States, Great Britain, Germany, France, Italy, as well as Greece, Bulgaria, and Romania. Such agreements could become the "building blocks" of a future new treaty on the system of collective European security and real "compensation" in the event of expansion.

2.3.5.2. It is necessary to finally begin a serious and friendly military-political dialogue with Central and East European countries so as to the maximum possible extent to remove their fears, jointly liquidate the security "vacuum" (deficit) that has developed in this region, and prepare the ground for the creation of truly good-neighbor relations in the future. As the urgency of existing problems in Central and East European countries is attenuated, the need for NATO expansion will be felt increasingly less.

2.3.5.3. It will probably be possible to propose to a number of countries, in particular, Germany, France, Italy, Greece, and Bulgaria, increased interaction in regions outside Europe, first of all in Asia.

2.3.5.4. We see it as extremely important to take the initiative for active rapprochement with the Baltic countries. Russia, as an incomparably more powerful state, can afford to begin to ignore some quite predictable, although far from always pleasant for Russia and apparently arrogant, "growing pains" symptoms on the part of these states. Naturally, we are not speaking of ignoring violations of minorities' rights and other human rights.

As noted above, NATO's expansion may turn the Baltics into a potential source of a very acute crisis. This requires preventive diplomacy. Cooperation with the Baltics is also necessary on its own merit.

2.3.5.5. It is necessary to establish a permanent dialogue with key members of the CIS — Ukraine, Belarus, and Kazakhstan — in order to discuss attitudes towards the problem of NATO expansion, and ideally, to jointly work out a common policy with respect to the alliance, including joint counteraction of its expansion.

2.3.6. It is necessary to propose a mutually acceptable constructive alternative to fast expansion of NATO, which would take into account Central and East European countries' anxiety and their desire to integrate into European structures.

The following steps could be taken, for instance:

Russia and NATO provide bilateral security guarantees.

NATO provides unilateral guarantees.

The United States and Germany provide unilateral security guarantees, perhaps formalized in the form of treaties.

PRC's Li Peng To Visit Moscow 25-28 Jun

IZVESTIYA Offers Preview

MM2306104895 Moscow IZVESTIYA in Russian 23 Jun 95 p 3

[Report by Vladimir Skosyrev: "Chernomyrdin and Li Peng Will Easily Find Common Language"]

[FBIS Translated Text] Beijing — Li Peng, head of the Chinese Government, is not a popular politician in the West. During his visit to Europe last year he met with protest demonstrations on the streets and criticism from parliamentarians. Rights campaigners cannot forgive the premier for playing an active role in suppressing the Tiananmen Square student demonstrations in 1989.

However, what liberals in the United States and Western Europe regard as a minus may be a plus in our fatherland. At any rate a celebration awaits Li Peng at his alma mater — the Moscow Power Engineering Institute. He is to be awarded an honorary doctorate there. No difficulties are expected. Whereas the question of human rights violations generally features in meetings between Chinese and Western leaders, Russian leaders will most likely prefer not to raise this subject at all.

During the conversations between Chernomyrdin and Li Peng attention will be focused on trade and economic cooperation. Last year trade dropped by over 30 percent and this year the decline is continuing. What is more, five or six agreements have been prepared for the Chinese guest's visit — on the construction of a bridge across the Amur, on the prevention of forest fires, on quarantine, and on mutual recognition of diplomas and academic degrees.

An extradition agreement is also due to be signed. The topicality of this agreement is in no doubt. After all, as tourism and trading links grow, so regrettably does the number of criminal offenses. Around 10 Chinese are already in jail in Russia. And there are also our criminals in Chinese jails.

During its meetings in Minsk, Kiev, and Moscow the Chinese delegation will be performing an important diplomatic task. At a time when Taiwan has managed to ease its foreign political isolation, Beijing is seeking support from the CIS countries on the issue of Taiwan. All the three countries that Li Peng will be visiting confirm that they regard Taiwan as part of China.

Afanasyev Outlines Talks Agenda

LD2206231195 Moscow INTERFAX in English 1618 GMT 22 Jun 95

[From the "Diplomatic Panorama" feature: Reports by our diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov and others]

[FBIS Transcribed Text] MOSCOW, JUNE 22 (INTERFAX) — Talks with the Premier of the Chinese State Council Li Peng will focus largely on the promotion of Russian-Chinese cooperation, the director of the First Asian Department of the Russian Foreign Ministry Yevgeniy Afanasyev told INTERFAX Thursday. Li Peng is expected to pay an official visit to Moscow on June 25 to 28.

According to Afanasyev, "the talks will focus on moves to substantiate strategic partnership between Russia and China."

Five to seven agreements are to be signed in the wake of the visit, including an agreement on the construction of what appears to be the first ever bridge between Russia and China across the Amur River, in the vicinity of the cities of Blagoveshchensk and Heihe, an agreement on the reciprocal extradition of criminal elements, and an agreement on cooperation in machinebuilding and farming.

According to Afanasyev, expanded cooperation in power production, nuclear production and space exploration for peaceful purposes will also be discussed.

"The military-technical aspect of bilateral cooperation may be broached, too."

"Moscow sees Li Peng's visit as a stage in the preparation of top-level bilateral contacts," Afanasyev said.

When he visited Moscow for VE Day celebrations, the chairman of the People's Republic of China Jiang Zemin reiterated an earlier invitation for President Yeltsin to pay an official visit to China. When Yeltsin is to visit China, remains to be decided. "The issue will be discussed with the Chinese Premier," Afanasyev said.

Li Peng will be paying his first visit to the Russian Federation. The head of the Chinese government paid his last visit to Moscow back in 1990, when Moscow was the capital of the Soviet Union, Afanasyev stressed.

According to Afanasyev, Li Peng will meet with his Russian counterpart Viktor Chernomyrdin, President Yeltsin and the speaker of the State Duma Ivan Rybkin. He will be made a doctor honoris causa by the Moscow Power Production college whose classes he used to attend.

The Russian leader will be likely to voice concern about the state of bilateral trade relations. "Last year bilateral trade turnover dropped by one third. It experienced a similar, although slightly less radical, drop this year. Moscow is highly worried about this trend," Afanasyev said.

In Afanasyev's view, barter trade has all but exhausted itself in Russian-Chinese trade. "It is about time the two countries switched over to upgraded trade relations. The Russian Federation and China have accumulated an enormous potential for cooperation," Afanasyev said advising "the two big powers" against the reduction of trade turnover.

According to Afanasyev, the Russian and Chinese leaders are not planning to focus on the border problem. "Nonetheless, should the border problem be raised, Moscow will reaffirm its commitment to the agreement of 1991 which finalizes the eastern span of the joint border."

Afanasyev hoped for the earliest ratification of last year's agreement on the western span of the joint border, by the State Duma.

He reminded Interfax that the Chinese legislature had already ratified the document that finalizes "the 55-kilometer span of the Russian-Chinese border." Once the State Duma does the same, demarcation works may begin, he said.

In the context of international issues, the Russian and Chinese leaders will be likely to discuss the problem of nuclear tests.

"Russia observes the moratorium on nuclear tests and urges France and all other nations, including China, to test no more nuclear devices and work for a universal ban on nuclear tests," Afanasyev said.

The Russian Ministry for Foreign Economic Relations told Interfax that in 1994 Russian-Chinese trade turnover dropped by $2.6 billion to stand at $5.08 billion.

The ministry source expects no trade growth this year. "If anything, trade turnover may be expected to stabilize at $5 to 5.5 billion," he said.

To amend the situation, Russia and China ought to switch over to the promotion of up-to-date long-term ventures, including reciprocal investment and technical cooperation projects and the use of Russian technologies by China.

Some industries, first and foremost the power production complex, have already taken steps in this direction. Russian experts are engaged in the construction of eight power production facilities whose summary power yield will be expected to top kWh 6 million, in China. Russia intends to supply China with equipmwnt for the assembly of two power blocs in the province of Liaoning. The summary yield of these is put at kWh 2000, the spokesman for the Ministry of Foreign Economic Relations said.

Li Peng Visit Seen Boosting Relations

MM2306141395 Moscow ROSSIYSKAYA GAZETA in Russian 23 Jun 95 First Edition p 7

[Article by Aleksey Solodov: "What is on Li Peng's Menu? PRC State Council Premier About To Pay Official Visit to Moscow"]

[FBIS Translated Text] This is the Chinese leader's first visit to the new Russia since he became premier but it is also a return visit: Viktor Chernomyrdin, his Russian opposite number, visited China last year.

Li Peng was born into the family of a professional revolutionary. After the victory of the Chinese Revolution the country needed many top-class specialists and the 20-year-old Li Peng was sent for training to Moscow where he successfully graduated from the Moscow Power Engineering Institute.

He still remembers those years with warmth and whenever he is in the Russian capital he never fails to visit his alma mater.

After his studies in Moscow, Li Peng held a whole series of leading posts in the PRC, devoting his main attention to power engineering. Interestingly enough there is statistical evidence for the view that China owes the success of its nuclear program to Li Peng. He was appointed chairman of the State Council for the first time in 1988 and took up that post a second time in March 1995.

It is interesting that the U.S. press, which is not given to lavishing praise on foreign leaders, characterizes Li Peng as a very eloquent man with a habit of grasping the essence of a problem. Let us add that Li Peng, as people who know him well remark, is an excellent cook who is fond of preparing spicy Sichuan food. Sichaun is the premier's home province. That is why in China people good- naturedly joke that the premier prefers to prepare the menu for his foreign visitors himself.

Political commentators believe that the Chinese leader's present visit to Moscow will not only be of great significance for the development of Russian-Chinese state ties and economic cooperation but will also be a landmark in international life, especially as regards Asia and the Pacific region.

After all, it is no secret that the present rapprochement between Moscow and Beijing is happening against the background of friction between China and the United States and the changing alignment of forces in Asia and the Pacific region, on the one hand, and of the purely domestic political and economic problems which both China and Russia are experiencing, on the other. From this viewpoint the process of the further improvement of relations between the two great Asian neighbors will make it possible to resolve at least some of their problems.

From Russia's viewpoint, the possibility of better relations with China fully accords with its national interests. Russia also has an interest in China's remaining a strong, united, and stable state because only then will the fruitful development of the full range of long-term partnership relations be possible.

But for that to happen, of course, it is necessary to resolve a whole series of issues pertaining to bilateral relations. For example, until the agreement on the definitive demarcation of the border is signed there will still be the question of demilitarizing the border zone and confidence-building measures and the question of the quantity of arms and military hardware on a 100-km section [uchastok] of the Russian-Chinese border where around 90 percent of the Far East and Transbaykal military districts' personnel are concentrated. The failure to resolve these questions considerably reduces the possibility of trade-economic and scientific-technical cooperation between the two countries.

During the visit Li Peng intends to hold talks and exchange opinions with the Russian side on the broadest range of questions connected with the development of good-neighborly, friendly relations and the expansion of mutually beneficial trade and economic cooperation. Traditionally the Chinese side tends not to divulge details about forthcoming talks and believes that it is impossible to talk about the results of a visit until it is over. Nevertheless, it has emerged that it is planned to sign at least at least five or six Russian-Chinese intergovernmental documents including on the extradition of criminals and on the prevention of forest fires. Furthermore, in the opinion of a high-ranking staffer at the Russian Foreign Ministry, Moscow also expects that there will be an interesting and meaningful discussion on international questions between the Russian leadership and the PRC government delegation.

The importance of the final point is hard to overestimate. After all, in recent years Russian-Chinese relations and cooperation in the world arena have essentially undergone significant positive changes. And, in the opinion of a number of influential Russian politicians, this process must be supported in every way, especially now, because it is the Asian element of Russian foreign policy which will largely determine Russia's future position in the world community. An important place in that policy is assigned to China in particular. After all, China is a great world power which enjoys huge prestige not only in the Asian region but also in the world community.

Yasin Denies Russia Neglected at G-7 Summit

LD2206231995 Moscow INTERFAX in English 1618 GMT 22 Jun 95

[From the "Diplomatic Panorama" feature: Reports by our diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov and others]

[FBIS Transcribed Text] MOSCOW, June 22 (INTERFAX) — Russia's Economics Minister Yevgeniy Yasin has flatly disagreed with some media allegations that at the G-7 summit in Halifax, Russia was neglected "and had no effect on the summit and its decisions."

"In Halifax, we worked together in the same format that we had worked during the summit preparation," Yasin, President Yeltsin's official representative at the G-7 summit, declared in an interview with Interfax on Thursday.

He described the summit as "very complex not only for Russia but for all the rest states."

"As economic frictions have intensified, the G-7 leaders managed to come to terms with great difficulty, Yasin stressed. Nonetheless, in Halifax important decisions were adopted to consolidate IMF's role and reform the World Bank."

Speaking favorably of the summit outcome, Yasin specifically noted that the economic communique, signed without Russia, "incorporated all basic wishes of Russia."

He reported that G-7 voiced support for long-term restructuring of Russia's debt. He explained that "the agreement to this effect was reached at Yeltsin's meeting with G-7 leaders. However, concrete terms for restructuring are missing in the final communique and will be set through further negotiations."

Yasin also reported that in response to Russia's request to join the Paris club as a creditor, G-7 leaders welcomed "the establishment of closer ties between Russia and this institution of creditor-countries."

As the minister noted, participants in the summit voiced the desire to welcome any additional granting of special rights of borrowing and pledged to find out their opportunities and make additional funds available to Russia.

Yasin "sees nothing scary" in the fact that a separate point on Russia's entry in GATT and WTO was not included in the final G-7 communique. "We agreed that it would be improper at this stage to single out Russia among the countries wishing to join this organization.", Yasin explained. At the same time, he drew attention to the fact that G-7 leaders supported Russia's application to GATT and WTO membership.

He described as "a vivid event" of the Halifax summit the acceptance by its participants of Yeltsin's proposal to hold in Moscow next year a G-8 conference on the problems of nuclear safety.

"It was a major political decision", Yasin said, adding that "a conference will provide a good opportunity to discuss all questions of interest to our countries."

Bilateral Scientific Agreement Signed With Iraq

LD2206225495 Moscow ITAR-TASS in English 1805 GMT 22 Jun 95

[By Sergey Babkin]

[FBIS Transcribed Text] MOSCOW, June 22 (ITAR-TASS) — Representatives of the Russian Institute of Oriental Studies and a delegation from the University of Baghdad headed by chief of the international relations department of the ruling Ba'th party 'Abd-al-Razzaq al-Hashimi initialled an agreement on bilateral scientific relations.

The aim of the document is to improve mutual understanding and strengthen friendly relations between scientists of the two countries.

This is the first agreement on scientific relations to be signed between Russian and Iraqi research centres, deputy director of the Institute of Oriental Studies Anatoliy Yegorin told Tass.

The agreement provides for conducting exchanges of students and scientists, launching joint research programmes, preparing scientific publications and holding annual conferences on the state of and perspectives for Russian-Iraqi relations.

Baghdad is expected to host the first conference of this kind this autumn.

Kolesnilov, French Counterpart Discuss Cooperation

LD2206151195 Moscow ITAR-TASS in English 1208 GMT 22 Jun 95

[By Sergey Chereshnyev]

[FBIS Transcribed Text] MOSCOW, June 22 (ITAR-TASS) — General of the Army Mikhail Kolesnilov, Russian Army Chief of General Staff, met on Tuesday his French counterpart Admiral Jacques Lanxade who arrived in Moscow on a one-day visit, the information and press department officials of the Russian Defence Ministry told Tass.

The two ministers discussed prospects for the development of relations between the armed forces of the two countries, the officials said.

During his visit to France in March 1994, Kolesnikov met Lanxade to discuss problems relating to the geopolitical situation and reforms in two armies, and visited several military objects.

Today the ministers reiterated their intentions to continue cooperation.

Political Issues

Yeltsin Says Duma Controls Own Fate

LD2206120895 Moscow Russian Public Television First Channel Network in Russian 1100 GMT 22 Jun 95

[News conference given by Russian President Boris Yeltsin and Russian Prime Minister Viktor Chernomyrdin in Moscow on 22 June, with questions by unidentified correspondents; from the "Novosti" newscast — recorded]

[FBIS Translated Text] After the meeting, Boris Yeltsin replied to journalists's questions concerning yesterday's Duma decision to pass a vote of no confidence in the government.

[Correspondent] Viktor Stepanovich Chernomyrdin today sent a letter to the State Duma, where he raises the Duma-Government confidence issue. What will you undertake, depending on deputies' reaction, if another vote of no confidence is passed?

[Yeltsin] Well, this will be the second debate.

[Correspondent] But what are your plans?

[Yeltsin] It depends on the Duma decision. That is to say, the Duma can sign its own sentence.

[Woman correspondent] Boris Nikolayevich, what will the reaction of the world community be if we dissolve the Duma for the third time already?

[Chernomyrdin] But why should it be necessary to dissolve it?

[Correspondent] Boris Nikolayevich said so.

[Yeltsin] If it does not want to, it does not have to do it, but let us leave the government undissolved. [chuckles]

[Correspondent] Any particular news from Budennovsk, from Lobov?

[Yeltsin] Yes, I do have news. We of course are in constant touch. He is getting more and more materials, and there will be a very heated debate. [video shows Yeltsin with Chernomyrdin, Medvedev looking on]

Yeltsin: Duma 'Could Sentence Itself'

LD2206193995 Moscow INTERFAX in English 1736 GMT 22 Jun 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov and Andrey Petrovskiy and edited by Vladimir Shishlin]

[FBIS Transcribed Text] President Yeltsin told an Interfax correspondent after a meeting of the Russian government in a narrow circle that he had approved of Prime Minister Chernomyrdin's proposal that the State Duma should consider the question of confidence in the government.

Also concerning Chernomyrdin's message to the State Duma containing that proposal, President Yeltsin said that as a result of a second discussion the State Duma could sentence itself.

"If the State Duma does not want to be disbanded, it should not try to disband the government," President said.

Concerning the amendments to the Constitution made by the lower house on Wednesday, Yeltsin said that he was categorically against amendments tightening parliamentary control over the Cabinet.

"This cannot be done that way. To amend the Constitution a general parliamentary assembly must be convened," he said.

Chernomyrdin Statement Asking For Duma Confidence Vote

LD2206140695 Moscow ITAR-TASS World Service in Russian 1219 GMT 22 Jun 95

[All quotation marks as received]

[FBIS Translated Text] Moscow, 22 Jun — Vice Prime Minister Viktor Chernomyrdin made a statement today in connection with the government's decision to call on the State Duma to hold another vote of confidence. The statement reads:

"Yesterday the State Duma expressed no confidence in the Russian Government. Today the president of the Russian Federation disagreed with this decision and supported the government.

We appreciate Boris Yeltsin's support, but, first, we cannot hide behind the president's back.

Second, bearing the responsibility for the country, we cannot let the standoff between the government and parliament last for an entire three months in these difficult times.

Third, the government's ambiguous position will create a real threat of deterioration in the social and political situation in the next three months and leave the country without a 1996 budget. The Duma's decision is jeopardizing the cooperation between the executive and the legislature, thus destabilizing the political situation in Russia.

Substantial damage will be inflicted on the legal activity of our state on the international scene; a settlement of the Chechen crisis will be more difficult to find; and criminals will feel more at ease.

I have just consulted my colleagues at a government meeting about what we are going to do in this situation. The following decision was passed unanimously: to call on the State Duma to hold another vote of confidence. We are taking this step deliberately in order to achieve clarity and certainty. I do not see another way to avoid horrendous damage to the country.

I hope that the State Duma will not evade considering this question and will put it on the agenda to discuss it in the near future as an emergency issue, as it is required by the constitution and the Duma's regulations.

I am convinced that our real interests, the understanding of our all-nation goals, and restraint and responsibility will have the upper hand in the end. The country needs stable state power and efficient cooperation between all its branches. By tabling a confidence motion, I am confirming the government's readiness and striving for such a cooperation."

Chernomyrdin Asks For 'Extraordinary' Duma Vote

MM2206152895 Moscow ROSSIYSKAYA GAZETA in Russian 23 Jun 95 First Edition p 1

["Letter From the Russian Federation Government to the State Duma" signed by Russian Federation Government Chairman V. Chernomyrdin, under the "Protocol" rubric]

[FBIS Translated Text] In accordance with Part 4 of Article 117 of the Russian Federation Constitution, I submit to the State Duma the question of confidence in the Russian Federation Government.

This decision is motivated by the following considerations.

At present we are facing uncertainty regarding the Russian Government's position following the State Duma's expression of no confidence in it, with which the Russian Federation president has disagreed.

This uncertainty as regards the government's position, which may last as long as three months, will lead to a sharp deterioration of the socioeconomic situation, will leave the country without a budget for 1996, will ruin the collaboration between the executive and legislative branches of power, and will thus provoke political destabilization and will also render the Russian Government's international-legal actions more difficult.

As a result, the criminogenic situation will deteriorate, the situation in the Northern Caucasus will be aggravated, and the solution of the Chechen crisis will be rendered more complex, thus playing into the hands of terrorists and separatists.

There will emerge a real threat to the stable functioning of state power in the country.

It is in the interests of the entire country to overcome the prevailing political crisis as soon as possible.

This determines the government's decision to utilize the opportunities offered by Part 4 of Article 117 of the Russian Federation Constitution.

The procedure of expressing no confidence in the Russian Government, launched by the State Duma in accordance with Part 3 of Article 117 of the Russian Federation Constitution, cannot provide justification for refusing to examine this submission. The fact that the question of confidence has been raised by the government itself is in itself a constitutional justification for solving the parliamentary-government crisis and, on the basis of Articles 46 and 145 of the Russian Federation State Duma Standing Orders, is subject to separate and extraordinary examination by a State Duma sitting.

I ask that the question of confidence in the Russian Federation Government be examined on an extraordinary basis in the nearest possible future.

[signed] Russian Federation Government Chairman V. Chernomyrdin

Chernomyrdin Wishes To Continue Work

LD2306083295 Moscow Radio Rossii Network in Russian 0800 GMT 23 Jun 95

[FBIS Translated Text] Viktor Chernomyrdin, the prime minister, is due in Samara today. He has held a conference with those in charge of the aerospace complex enterprises and will take part in the festivities marking the 80th anniversary of the technical university in Samara, from which he graduated.

In a conversation with journalists, Chernomyrdin said he is of a mind to continue his work. The responsibility toward the country is too great to allow the situation to degenerate into squabbles, Chernomyrdin said.

Kozyrev Sees 'Constitutional Crisis' But No Destabilization

LD2206130395 Moscow ITAR-TASS World Servic in Russian 1111 GMT 22 Jun 95

[By ITAR-TASS diplomatic correspondent Dmitriy Gorokhov]

[FBIS Translated Text] Moscow, 22 Jun — "There is a constitutional crisis, but there is no destabilization and nor will there be. This is the most important thing." This is how Russian Foreign Minister Andrey Kozyrev described the current situation in Russia.

In a conversation with journalists, the minister said that President Boris Yeltsin rejected the vote of no confidence in the government passed by the State Duma yesterday, but the government called on parliament to hold another vote of confidence. The government took this step in order "not to extend the period of uncertainty for three months." Viktor Chernomyrdin signed the request to the Duma in line with constitutional regulations, and now "let the Duma either confirm its yesterday's vote, or take some other way," Andrey Kozyrev said. "For the time being the future depends on the Duma," he added.

If the second vote of no confidence follows, then the president will "either dismiss the government, or dissolve the Duma and schedule new elections," the minister said. "There is such a possibility, anyway, the chances are 50-50," Andrey Kozyrev believes.

He said that the step taken by the government today was motivated by the desire "not to wait for three months and not to keep our people and our foreign partners in suspense." "We do not need any instability, we need certainty, there is very much at stake in terms of financial stabilization, and anyway, the date [of parliamentary elections], December, is near," the minister said.

If elections to the State Duma were held before December, "no one will lose anything," Andrey Kozyrev said, who is not only a minister, but also an independent deputy of the Duma from Murmansk. "The deputies, who were not working particularly actively in the field of law-making, have already started pre-election political games," he concluded. "The best option will be to bring into the pre-election campaign all those who want it, but as for the vote of confidence or no confidence, let the electorate pass it."

Shakhray: Government Crisis Must Not Be Dragged Out

LD2206163895 Moscow Russian Television Network in Russian 1300 GMT 22 Jun 95

[From the "Vesti" newscast]

[FBIS Translated Text] Back in the winter, speaking about the difficulties involved in pushing the state budget through the State Duma, Sergey Shakhray predicted an early Government crisis. As we have seen today, the vice premier was wrong only by a few months.

[Correspondent M. Tumanova] The chairman of the government chose a speedy form of settling the government-parliament crisis, Vice Premier Sergey Shakhray noted at a meeting with correspondents today. This crisis must not be dragged out, the Government cannot work in a state of suspension. Like the country, it needs stability. The question of confidence in the Government commits the State Duma to examine this question at a separate session within 10 days. If the Duma rejects it, the Government has one more effective weapon up its sleeve: armed with the Duma's written rejection, the Government will apply to the Constitutional Court. This promises a political dividend, Sergey Shakhray stated bluntly. The ministers may state that at a difficult time the deputies are causing more chaos and destabilizing the situation.

However, another variant is possible: The duma will examine the question and will again vote for the Government's resignation. Then the next seven days will be decisive. During that time, according to the Constitution, the Russian president must make a decision. The decision is a fundamental one — who will resign, the Government or Parliament? This would then happen, according to Sergey Shakhray, no later than 3 July.

Filatov: No-Confidence Vote 'Populist' Decision

LD2206125195 Moscow INTERFAX in English 0933 GMT 22 Jun 95

[FBIS Transcribed Text] MOSCOW, June 22 (Interfax) — The presidential administration chief Sergey Filatov has described as a purely populist decisions, the vote of no-confidence in the cabinet passed by the State Duma on Wednesday.

In an interview with Interfax on Thursday, he declared that part of the deputies "waited until a politically lucrative moment came and shot."

However, this decision, according to Filatov, lacks "any desire to consolidate society and do everything needed for the country to advance. This is a sheer speculation," Filatov believes.

The decision is all the more short-sighted and shallow since, as Filatov noted, "hard joint work is really underway. Along with the Duma, we have gone through many stages of building the country and the state, and there are no grounds for eroding this cooperation and putting up a fight."

Filatov suggested that "either we get strong enough to overcome this discord or a number of deputies will be overwhelmed with the desire to have early elections to pose as heroes and martyrs."

According to his evidence, part of the deputies will try "to repeat this step within the next three months in a bid to dump Chernomyrdin's government."

Speaking about the criticism levelled at special services by the president and the premier, Filatov blamed these services largely for incompetence. "We have set up special services that spy more on us than on new Russia's foes." He regards failure to defend people as "the main irritant in society, an irritant that should be eliminated by personnel changes. What is needed most is to openly identify the deficiencies of these services."

Filatov reported that the Constitution Court was going to look into the causes of the Chechen problem most likely this autumn. In reporting that, Filatov declared: "There is no question that the president acted constitutionally on this issue, but the problem should be discussed in a broader context. We must answer one question, facing Russian society, no matter how hard this question can be: why for all these years the federal authorities have treated Dudayev's regime with patience. Although it is a complex question, it requires an answer," Filatov said.

Medvedev Criticizes Duma No-Confidence Vote

LD2206145595 Moscow INTERFAX in English 1301 GMT 22 Jun 95

[FBIS Transcribed Text] MOSCOW, June 22 (Interfax) — Presidential press secretary Sergey Medvedev believes that "the State Duma apparently does not want to work hand in hand with the government." Medvedev declared this at a press conference in Moscow Thursday. He went on to say, "If it does not want to, that means that it does not want to," Medvedev said commenting on the no- confidence vote in the government adopted by the State Duma Wednesday [21 June].

At the same press conference, presidential aide Aleksandr Livshits underlined that "during the whole period of the State Duma's work the president has not made a single step which would demonstrate that he is against cooperation with it." Speaking about the present situation, Livshits pointed out that "it was not the president who initiated this conflict."

Another presidential aide, Georgiy Satarov, drew an analogy with Budennovsk. In his words, "the State Duma's offer that they will keep their hands off the government if the power ministers are dismissed is pure blackmail." "Then they will demand resignation of Chubays and what next? It's quite clear that the government will not make this move," Satarov declared.

He also expressed the opinion that "the president's impeachment is not realistic because his actions do not constitute any offense." "If the State Duma votes on this issue then it will vote on an unconfirmed offense," Satarov said. At the same time he expressed conviction that "more than one-third of the composition of the State Duma is sober-minded."

Yeltsin Aides Hold News Conference on Duma Decision

LD2206164695 Moscow Russian Television Network in Russian 1300 GMT 22 Jun 95

[Video report on news conference by Sergey Medvedev, press secretary to President Boris Yeltsin, and Aleksandr Livshits and Georgiy Satarov, aides to President Yeltsin, in Moscow on 22 June, including recorded remarks by Medvedev and Satarov; from the "Vesti" newscast]

[FBIS Translated Text] [Medvedev] The Duma clearly does not wish to carry on working hand-in-hand with this government. If it doesn't want to work, then it doesn't.

[Correspondent R. Babayan] Sergey Medvedev made this statement today at a news conference in Moscow, commenting on the State Duma's decision to bring a vote of no-confidence in the government. At the same meeting with journalists, Aleksandr Livshits, the Russian president's aide, stressed that throughout the time of the work of the lower chamber of the Russian parliament the president has not taken a single step to show that he is opposed to cooperating with the Duma. According to Livshits it was precisely the Duma which initiated the conflict. For his part, Georgiy Satarov, who also took part in the news conference, said that the deputies' proposal not to oppose the government if the power ministries were made to resign was blackmail in its purest form.

[Satarov] Well, OK, the government carries on working in such conditions; fine, the government gives in to this blackmail. Then what?

[Babayan] In Satarov's opinion, this would be followed by a demand for the resignation of Chubays and a whole number of other ministers, and the government would not have that.

Asked by journalists how realistic the possibility of the Duma posing the question of impeaching the president is, Georgiy Satarov said:

[Satarov] Two versions would have to be examined: the first, a decision on his dismissal [otstraneniye] as such — it is practically speaking unrealistic because there is no such possible crime provided for by the Constitution. That's the first thing — it is unrealistic. The use of this political motive is, of course, realistic. That is quite clear.

[Babayan] However, in Satarov's opinion, the question will not be posed in this way. As far as the power ministries are concerned, this question will be examined only in light of the Budennovsk events, and they require a deep analysis.

[Medvedev] Anyone can wave a sword about; what needs to be done is to analyze who is guilty, so that the correct decisions can be made.

[Babayan] All decisions in connection with this will be adopted following the next session of the Security Council which will be held on 29 June. [video shows news conference]

Further on News Conference

LD2206173395 Moscow Russian Public Television First Channel Network in Russian 1400 GMT 22 Jun 95

[Video report by Mikhail Zotov on news conference by Sergey Medvedev, press secretary to President Boris Yeltsin, and Aleksandr Livshits and Georgiy Satarov, aides to President Yeltsin, in Moscow on 22 June; from the "Vremya" newscast]

[FBIS Translated Text] [Zotov] Presidential aides Georgiy Satarov and Aleksandr Livshits and presidential press secretary Sergey Medvedev held a news conference at the Foreign Ministry's press center in Moscow today on the situation around the no- confidence in the government vote passed by the State Duma on the 21 June. Aleksandr Livshits, for instance, said that every cloud has a silver lining and remarked that a paradoxical situation has taken shape at the currency market over the last two days.

[Begin Livshits recording] An analysis of the last two days shows that the last day's events have had an effect on the currency market. Paradoxically, what has happened there is something which is beneficial, on the whole, for the currency market. I do not want to say that an interminable chain of political shocks is needed to normalize currency rate. [end recording]

[Zotov] In Livshits' view, before the end of June Russia's situation in the financial sphere will be fully in line with the agreements with the IMF. Touching upon a solution to the political crisis after 21 June Aleksandr Livshits told the "Vremya" program exclusively:

[Begin Livshits recording] There is a relevant constitutional procedure. Since the government itself proposes to raise the issue of confidence, the norm stipulating three months is not applicable here because it covers a different mechanism. Therefore, the State Duma has to examine the government's statement within 10 days. They can make two decisions. They can reconsider and express confidence; that is, they show no confidence at their own initiative but express confidence at the government's initiative. Then all is settled and we carry on. If they persist and confirm the no-confidence vote, the president has seven days to take a decision, either to dismiss the government or to dissolve the Duma. There is an essential point here. If the impeachment procedure is started against the president and a charge has been brought — and the word brought is the key one here — then after the day when it was brought the president cannot dissolve the Duma. In order to bring this charge, however, there is a whole series of preliminary procedures linked, specifically, with the Supreme Court's decision on evidence of crime. [end recording]

[Zotov] If the State Duma puts the issue to the vote, regardless of the Supreme Curt's decision, something which is possible because of the threat of dissolution, and despite the fact that it is difficult to remove the president from the technical point of view, let God be their judge, Aleksandr Livshits remarked.

Sergey Medvedev believes that State Duma deputies were very contradictory in their voting, even when the issue of the power ministers' actions in the Budennovsk situation was raised.

After all, who gave the order to storm the hospital in Budennovsk? It is a very important question.

[Begin Medvedev recording] Naturally, and there can be no different interpretation there. The president makes political decisions, whereas commanders make tactical decisions judging by the ongoing situation. Naturally, the name of this person is known but it does not make sense to make it public for the time being for several reasons, one of them being because this would focus public and press attention on that person precisely and could considerably hamper the investigation of the Budennovsk tragedy. The i's will be finally dotted, and maybe even not all of them, by the Security Council which will meet on 29 June, as I have already said. [end recording]

[Zotov] At the same time, Georgiy Satarov believes that the crisis will be solved in the most painless fashion.

[Begin Satarov recording] It is impossible to have another crisis of the magnitude we had in 1993, of course. The new Constitution stipulates mechanisms for resolving such crises. This mechanism implies either the government's resignation or the Duma's dissolution in accordance with the Constitution. So if one acts in line with the law and the Constitution, there should be no crisis. One should understand that dissolving parliament while simultaneously announcing elections is a universally accepted procedure for resolving constitutional crises. [end recording]

Satarov on Constitutional Implications of Duma Vote

LD2206195495 Moscow INTERFAX in English 1736 GMT 22 Jun 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov and Andrey Petrovskiy and edited by Vladimir Shishlin]

[FBIS Transcribed Text] Today's government request that the State Duma debate again confidence [as received] in the government calls for a speedy resolution of the situation which arose as a result of the last Wednesday's vote of no confidence in the government. Presidential aide Georgiy Satarov explained at a news conference in Moscow Thursday that the Constitution calls for dissolution of the government or the Duma within three months in this case.

The government would then remain "suspended" for this period and the authority inside the country and on the world arena would be undermined, Satarov emphasized.

For this reason the government used another article of the Constitution to call a vote of confidence in itself.

When this vote is the government's initiative, Satarov explained, the Duma has to make a decision on the issue within 10 days. If it expresses no confidence in the government, the president will have seven days to dismiss the government or dissolve the State Duma.

Consequently, within 17 days we will know whether the country has a government without this Duma or this Duma but not this government.

If he dissolves the Duma, the president will hold new parliamentary elections within three months, Satarov said. He expressed the hope that the MPs will see of the consequences of their action and there will be no need in pre-term elections.

Satarov said that "the State Duma's offer that they will keep their hands off the government if the power ministers are dismissed is pure blackmail" like that in Budennovsk. "Then they will demand resignation of Chubays and what next? It's quite clear that the government will not agree to this," Satarov said.

He also expressed the opinion that "the president's impeachment is not realistic because he has committed no crime. If the State Duma does vote on this issue, then it will do so when no crime has been committed," Satarov said. At the same time he was confident that "more than one third of the State Duma members have enough common sense."

At the same press conference, presidential aide Aleksandr Livshits underlined that "during the whole State Duma's term the president has not made a single step which would suggest that he is unwilling to cooperate with it." Livshits pointed out that "it was not the president who triggered this conflict."

The presidential administration chief Sergey Filatov has described as a purely populist decisions, the vote of no-confidence in the cabinet passed by the State Duma on Wednesday.

In an interview with Interfax on Thursday, he declared that part of the deputies "waited until a politically lucrative moment came and shot."

However, this decision, according to Filatov, lacks "any desire to consolidate society and do everything needed for the country to advance. This is a sheer speculation," Filatov believes.

The decision is all the more short-sighted and shallow since, as Filatov noted, "hard joint work is really underway. Along with the Duma, we have gone through many stages of building the country and the state, and there are no grounds for eroding this cooperation and putting up a fight."

Filatov suggested that "either we get strong enough to overcome this discord or a number of deputies will be overwhelmed with the desire to have early elections to pose as heroes and martyrs."

According to his evidence, part of the deputies will try "to repeat this step within the next three months in a bid to dump Chernomyrdin's government."

Speaking about the criticism levelled at special services by the president and the premier, Filatov blamed these services largely for incompetence. "We have set up special services that spy more on us than on new Russia's foes." He regards failure to defend people as "the main irritant in society, an irritant that should be eliminated by personnel changes. What is needed most is to openly identify the deficiencies of these services."

Filatov reported that the Constitution Court was going to look into the causes of the Chechen problem most likely this autumn. In reporting that, Filatov declared: "There is no question that the president acted constitutionally on this issue, but the problem should be discussed in a broader context. We must answer one question, facing Russian society, no matter how hard this question can be: why for all these years the federal authorities have treated Dudayev's regime with patience. Although it is a complex question, it requires an answer," Filatov said.

Government Moves After Confidence Vote Eyed

MM2306092495 Moscow IZVESTIYA in Russian 23 Jun 95 p 1

[Report by Irina Savvateyeva: "Yeltsin Keeps Government and Threatens Duma With Dissolution"]

[FBIS Translated Text] At yesterday's enlarged sitting of the Russian Federation Government, the executive determined the strategic line of its behavior in the situation of sharply exacerbated political confrontation with the legislature. The question is whether the president and the government will have enough political will to sustain this line.

The strategy is as follows. Ostentatious disregard for the State Duma decision to dismiss the government. (Boris Yeltsin: "I cannot agree with this decision taken by the State Duma. On the basis of my constitutional powers, I state that I have confidence in Chernomyrdin's government.")

On this issue there is open opposition from a position of strength to the rallying deputies. ("There are other constitutional procedures for continuing the government's work in its present composition." — Obviously an allusion to the president's right to dissolve the State Duma if it again puts forward a vote of no-confidence in Chernomyrdin's cabinet).

But the most important thing — reliance upon continuing current economic policy, and primarily forming and putting into effect the concentrated expression of it — budget policy. Let us venture to presuppose that it was not merely because the presentation of the president's "Budget Message" was the official subject on the agenda that so much was said about the budget at the government sitting.

Following the speeches by Anatoliy Tyazhlov, president of the Union of Governors of Russia, and Yegor Stroyev, president of the "Non-chernozem" association, speeches, which contrary to tradition were not accompanied by wailing and groaning over the destroyed economy, but concentrated entirely on the problems of forming and implementing the budget — following these strictly business-like speeches, which were adorned, however, with individual eulogistic passages directed at Chernomyrdin, you got the impression that a new trend in mutual relations with the authorities of the regional, and possibly also sectoral, elites, is taking shape.

These relations will apparently be constructed on the preferential support being given to the executive in its political scuffle with the legislature, whose rallies are now a blend of clownery and farce. (The appeals by Tyazhlov in the Duma "to get down to the concrete work" of adopting laws and stop enhancing individual election campaigns on the basis of criticism of the "professional government"). The main arena for renewed mutual relations will be the budget.

There are undoubtedly some pluses in such a turn of events. The endless completely feeble and pointless populist discussions will finally be replaced by more or less professional discussion on the subject of income and expenditure and tax discipline. However, conducting a tough financial-budget policy will scarcely become a simpler task for the government as a result of these changes. In his speech, Yegor Stroyev did not fail to mention the need to finance the next program. You can imagine the weeping and wailing that will be caused by just one decision which the government intends to carry out in the process of the formation of next year's budget — the decision to abolish targeted sectoral and non-budget funds.

Will the executive have sufficient political will to continue the outlined economic policy? Time will tell. No doubt the blow dealt by the Duma is aimed at weakening Chernomyrdin and making him more complaisant in questions of conducting economic policy. However, the very experienced premier apparently intends to strengthen his position on the political arena by means of the dividends he earned as a result of the liberation of the hostages in Budennovsk. In the report he gave at the government sitting, Chernomyrdin ventured, seemingly for the first time in the entire history of his premiership, to infringe on the interests of the power ministers and assume the right to make assessments, and by no means complimentary ones, of their activity.

The question is whether the president will support the premier in this undertaking. At the enlarged government sitting yesterday, Yeltsin expressed dissatisfaction with the work of the Federal Counterintelligence Service, the Ministry of Internal Affairs, the Ministry of Defense, and the Federal Border Service. The president promised that at the next Security Council sitting, which will be held 29 June, "a decision will evidently have to be adopted on certain leaders of ministries."

On the same day, in accordance with Part 4 of Article 117 of the Russian Federation Constitution, Chernomyrdin's government put before the State Duma a motion of confidence. This decision was unanimously adopted by all the members of the Cabinet of Ministers at a closed sitting of the Russian Government.

The president's decision as regards the results of the future repeat vote by the State Duma on confidence in the government will depend on the State Duma's decision, and it may "seal its own fate," — Russian President Boris Yeltsin stated, answering a question from an ITAR-TASS correspondent. If the Duma does not want to be dissolved, then "let it not dissolve the government," the president explained.

CPRF Statement on No-Confidence Motion

MM2206115095 Moscow PRAVDA ROSSII in Russian 22 Jun 95 p 1

["Statement by the Communist Party of the Russian Federation Central Committee Presidium" — PRAVDA ROSSII headline]

[FBIS Translated Text] In connection with the Russian Federation Federal Assembly State Duma's examination of the question of expressing no confidence in the Russian Federation Government, the CPRF [Communist Party of the Russian Federation] Central Committee Presidium deems it necessary to state the following.

The chain of events containing a direct threat to the future of Russia and its peoples has been incessantly multiplying over the last few years in our society. The actions of the incumbent ruling regime, the alienation of working people from the running of the state, the fact that they are being deprived of an opportunity to effectively influence the processes under way in the economy and in politics, the fact that leaders of a series of departments and power structures are uncontrolled by anyone but the president of the Russian Federation — all this puts on the agenda the question of the responsibility of the head of state and his immediate entourage for the results of the policy pursued by them in all spheres of state and public life.

The CPRF has repeatedly warned the Russians about the negative consequences associated with the very fact of Yeltsin's continued tenure in the post of president of the Russian Federation. It has not only declared its negative attitude toward the institution of presidency in Russia and toward the president's autocracy and authoritarian methods of rule, but has also attempted to counter the growing danger of the country's slide toward dictatorship by relying on all the procedures envisaged by law for leading the country to a normal and democratic path of development. The Communists' efforts in this direction encounter the understanding and support of sober-minded forces in Russia and the millions of citizens who have demanded early presidential elections as the first step toward the achievement of nationwide accord and stability in society.

The bloody conflict in Chechnya and the tragic events in the city of Budennovsk have yet again demonstrated to Russia's peoples the costs of the actions by the incompetent government team which obediently follows orders from the frankly weak supreme leader who is nonetheless vested with all imaginable and unimaginable powers. Society is coming to its senses, there are increasingly loud demands not only for a change of socioeconomic policy but also for the resignation of top state officials.

But today's realities are such that the regime currently in power is prepared to take any step and resort to any measure so as to maintain its undivided rule over the tormented and worn-out country, using lies and deception to carry on confusing the Russians' minds and stifling their will to resist. In these conditions, it would be political fraud and yet another deception of our compatriots to be satisfied with half-measures, demanding the resignation of the government or of individual ministers without considering the president's activity as the prime reason behind the acute crisis which has developed in society.

The CPRF Central Committee Presidium declares that the CPRF faction in the Federal Assembly has been instructed to immediately begin gathering signatures of 150 State Duma deputies to a petition to begin the procedure for removing B.N. Yeltsin from the office of president of the Russian Federation in accordance with the norms of the Russian Federation Constitution. At the same time, the CPRF Central Committee Presidium confirms the assessments contained in the statement by the Central Committee Presidium and the Communist Party faction in the Federal Assembly about the anti-people nature of the policy pursued by Chernomyrdin's government and will, jointly with its allies, work to ensure that the State Duma adopts a decision on no confidence in this government.

The CPRF again addresses the leading parties and sociopolitical organizations of leftist and patriotic orientation with an appeal for unity of actions aimed at extricating the country from the crisis and creating a broad public organ, representative in its composition and capable of actively influencing the government's policy. Their common goal and main task — to prevent the death throes of the outgoing authorities being accompanied by bloodshed and sorrow for the millions of people in all corners of our long- suffering fatherland.

[signed] CPRF Central Committee Presidium

[dated] 20 June 1995

Chernomyrdin To Address State Duma 19 Jul

LD2306111295 Moscow ITAR-TASS in English 0904 GMT 23 Jun 95

[By Ivan Novikov]

[FBIS Transcribed Text] MOSCOW June 23 (Itar-Tass) — Russian Prime Minister Viktor Chernomyrdin will speak in the State Duma on July 19. Speaker of the State Duma Ivan Rybkin announced this at a plenary meeting of the house on Friday when the agenda was discussed.

The Speaker said the Prime Minister is going to inform the Duma of the socio-economic situation in the country and of the government's further plans. Rybkin said the cabinet intends to hold preliminary consultations with Duma committees, specifically with the committees dealing with questions of economic and social policy.

Identity of Person Who Ordered Hospital Storming Known

LD2206131295 Moscow INTERFAX in English 1213 GMT 22 Jun 95

[FBIS Transcribed Text] MOSCOW, JUNE 22 (Interfax) — In response to a question from Interfax, President Yeltsin's press secretary Sergey Medvedev said Thursday that "it was the president who made the political decision" to storm the Budennovsk hospital whereas "emergency decisions are made on the spur of the moment."

"It is already known for certain who issued orders for the storm but - before the Russian Security Council has met in session - it makes no sense to reveal his name," Medvedev said, because "tension would likely mount and everyone would be likely to focus attention on that one man, instead of looking into what caused the tragedy."

According to Medvedev, the Security Council is expected to make a final decision on whether the attempt to storm the Budennovsk hospital was or was not a mistake. The Security Council is meeting next week.

On June 17 Russian elite special-purpose "spetsnaz" troops made an unsuccessful attempt to seize control of the Budennovsk city hospital captured by Chechen terrorists under Shamil Basayev. Human losses have been put at several dozen.

An aide to President Yeltsin, Georgiy Satarov, told Interfax that Boris Yeltsin may fire the chiefs of some power ministries in the wake of the Budennovsk tragedy.

Lineup of Forces in 1995 Election Run-Up Examined

954F2574A Moscow MOSKOVSKIYE NOVOSTI in Russian 21-28 May 95 No 36, p 6

[Article by Stepan Kiselev under the "Prognoses" rubric: "Election '95: All Go"]

[FBIS Translated Text] The flywheel of the election campaign is unwinding faster and faster, and the shot from the starter's gun will be heard any time now: Only the president's signature on the Election Act is separating the country from the real election race.

The president's recent assurances that he is prepared to "conform to the Constitution" as regards the timing of the elections were taken by many politicians as a signal for action: The time has come to assemble their boy-soldier regiments before marshaling them in combat ranks prior to the December assault on the Federal Assembly. Recent polls of the Public Opinion Foundation enable us to determine the starting-line readiness of the main candidates for seats in the State Duma.

The No-Hopers

First as concerns those for whom the 5 percent popular vote hurdle at the future elections will be an insurmountable barrier.

Polls of the past three months testify that of all the parties and election blocs of the last parliament, those with the fewest chances today of holding on to their positions in the Sixth State Duma are Shakhray's party (PRES) [Party of Russian Unity and Accord], the Democratic Party of Russia (Glazyev, Govorukhin), and the Agrarian Party of Russia (Lapshin). The electorate is today prepared to give them a maximum of 2 percent of the vote each.

It is this position of outsiders that will determine the further tactics of the "no-hopers": Only in the role of a trailer behind a powerful locomotive can these political movements enter the new State Duma. And the first to recognize this was the resourceful Shakhray, who back at the start of April tossed out onto the political market a new commodity of his analytical office: the concept of two large election blocs capable of satisfying all political tastes of the electorate. Having subsequently registered with the government "Home" built by Viktor Chernomyrdin, Shakhray will once again, evidently, extend his political longevity in the Russian Parliament. Not, it is true, on this occasion in the role of responsible tenant, but of a lodger without rights.

The Democratic Party's situation is more complicated. Having lost Nikolay Travkin and having taken up a position of strict opposition to the government, the leaders of this party have no hopes either of a well-disposed attitude toward them on the part of the ruling elite or of the affections of the electorate formerly seduced by Ilich's ardent speeches. The attempt, on the other hand, to form a bloc with the Congress of Russian Communities (Skokov) would not today give the Democratic Party any more points. A mechanical totaling of their ratings gives them a maximum of 4 percent of the vote.

As far as the Agrarian Party is concerned, the sole opportunity for a presence in the new State Duma could be afforded it, judging by recent polls, only in the event of its leaders agreeing to the president's plan and becoming a part of the election bloc headed by Ivan Rybkin, whom the electorate is even now (blindly—without a political program or publicity campaign) prepared to give 2 percent of the vote.

The Drowning

The most dramatic situation today is that of the parties that won the last elections—the already low ratings of the affections for Russia's Choice (Gaydar) and the LDPR [Liberal Democratic Party of Russia] (Zhirinovskiy) show a distinct tendency toward decline, and their negative ratings occupy the top lines in the table of anti- heroes. To the question: "The representatives of which parties and movements would you not want under any circumstances to see elected to the State Duma?" 36 percent of the electorate named the LDPR, and 20 percent, Russia's Choice. Such, evidently, is the price of Zhirinovskiy's abundant promises and Gaydar's involvement in the radical economic reforms, which have been rejected by the majority of the electorate.

Whereas, for that matter, Zhirinovskiy can at all count on seats in the State Duma—immoderate populism will be a no-lose tactic for a long time yet in Rus— things with Gaydar are bad. With the appearance of the Russia—Our Home pro-government election bloc, the regional and financial elites have turned their backs on Gaydar, and as far as the support of the intelligentsia and the mass voter is concerned, it was secured primarily by the alliance with Yeltsin.

Recognizing his present vulnerability, evidently, Gaydar placed big hopes in an alliance with Grigoriy Yavlinskiy's movement. But Gaydar—"in the absence of love and money"—could pull any ally down to the bottom with him.

The Apostates

Politicians and political movements that have given notice of their political independence, having split off from the election associations under whose flag they were elected to the State Duma, are a special subject. Their fortunes are as yet nebulous and will depend on the cordiality toward them of the leaders of the election campaign.

The Republican Party of Russia (Vladimir Lysenko), for example, having entered parliament as part of a bloc with YABLoko and having parted company with this faction on account of contradictions on the question of the Social Accord Treaty, is once again prepared, according to certain information, for consultations with Yavlinskiy, having no chance of being elected to the State Duma independently. Or Konstantin Zatulin; having started his progress toward a parliamentary chair in a search for an alliance with Yavlinskiy and having entered parliament on the PRES slate, he is today an activist of the Democratic Party. Such a trajectory of fate will hardly secure him a seat in the successful entries on the party slates.

The most effective use of his independence has been made by Boris Fedorov. Having wrenched himself away from his maternal faction (Russia's Choice), he created first the "12 December" liberal-democratic alliance and then the Forward, Russia movement, which could back in April have laid claim to have mustered up to 5 percent of the vote of the electorate, which he has torn away from Gaydar's Russia's Choice. His electorate is still highly unstable, for that matter, and Chernomyrdin's star has only to ascend on the political horizon for the support for Boris Fedorov's movement to decline to 2 percent.

The Stars

For three months now, if we are to believe the pollsters, the lead in electoral affections has been retained by the Communist Party of Russia (Zyuganov), Women of Russia (Lakhova), and YABLoko (Yavlinskiy).

Pollsters also note the general behavior of the Russian electorate and its rejection of both political and economic radicalism.

The move to the political front stage of the election associations of Viktor Chernomyrdin and Ivan Rybkin has not thus far made any in any way fundamental changes to the alignment of the stars and the mood of the electorate. But it is clear even now that the plans of the "home builders" to wipe from the face of the earth the shacks of the dwarf parties have very solid grounds. On the other hand, it is just as obvious also that Ivan Rybkin's facile dreams of 67 percent of the vote of the electorate are not destined to be realized.

Everyone already understands today, it seems, that the parliamentary elections in December 1995 are not, come to that, an end in themselves and that the distribution of votes at them is of significance only in the perspective of the coming presidential elections. In addition, a number of the election associations leading in the parliamentary race will undoubtedly make as their election tactics an orientation toward the presidency. In this perspective also, Grigoriy Yavlinskiy and the YABLoko movement that he heads have the preferential chances thus far. Of the 18 hypothetical candidates for the presidency, Grigoriy Yavlinskiy obtained in April the support of 8 percent of the electorate. Gennadiy Zyuganov and Vladimir Zhirinovskiy, 6 percent each. As far as Viktor Chernomyrdin, of whose presidential prospects there has come to be talk only as of late, is concerned, only 1 percent of the electorate was prepared in April to support him.

Today's chart of electoral preferences permits very crude forecasts of the distribution of forces in the future parliament. Clear leaders and clear outsiders are barely noticeable. It is obvious that the main struggle will unfold for the vote of the electorate that has not yet made up its mind about its choice or that is unwilling to vote altogether (up to 46 percent) and on which the fate of the Sixth State Duma will depend to a greater extent than on all the political activists put together.

Poll (Footnote 1) (Source: Public Opinion Foundation)

Were elections to the State Duma to be held today, for the representatives of which political parties of those listed would you vote (March, April, May)?

Agrarian Party of Russia (Lapshin, Zaveryukha): 2; 2: 2.

Forward, Russia! (Boris Fedorov): —; 5; 2.
Russia's Democratic Choice (Yegor Gaydar): 6; 4; 5.
Democratic Party of Russia (Govorukhin, Glazyev): 3; 2; 3.
Women of Russia movement (Lakhova, Fedulova): 6; 7; 6.
Communist Party of the Russian Federation (Gennadiy Zyuganov): 9; 7; 6.
Congress of Russian Communities (Skokov, Lebed): —; 2; 2.
Liberal Democratic Party of Russia (Zhirinovskiy): 5; 5; 4.
Derzhava social-patriotic association (Rutskoy): —; 4; 2.
Party of Russian Unity and Accord (Shakhray): 1; 2; 1.
Russian United Industrial Party (Shcherbakov, Volskiy): —; 0; 1.
Worker Self-Management Party (Sv. Fedorov): —; 4; 4.
Social Democracy Party (Aleksandr Yakovlev): —; 0; 0.
YABLoko grassroots movement (Yavlinskiy): 9; 8; 6.
Election bloc headed by Chernomyrdin: —; —; 4.
Election bloc headed by Rybkin: —; —; 2.

Power Ministries Seen To Have 'Feet of Clay'

MM2306114095 Moscow ROSSIYSKAYA GAZETA First Edition in Russian 23 Jun 95 p 2

[Article by Vladimir Klimov: "The Power People Have No Power. Today the MVD [Ministry of Internal Affairs] and the FSB [Federal Security Service] Look Like a Giant With Feet of Clay"]

[FBIS Translated Text] I don't know what to call the event which was officially announced as a press conference in connection with the transformation of the Security Ministry into the FSK [Federal Counterintelligence Service]. The faces of the people sitting behind the tables on the stage (in the presidium, as we used to say in the old days) were not radiant with happiness. But there was no sorrow either. I remember well how newly fledged FSK director Sergey Stepashin announced with open optimism that his organization could not henceforth be called a power structure, because special subunits like "Alfa" and "Vympel" had been disbanded.

The FSK was also deprived of its investigations directorate at that time. Yet this directorate, along with the antiterrorist subunits, had the best people. They were hand-picked out of hundreds, indeed thousands of specialists, and had undergone excellent training. These were super-specialists whom the country could be proud of, because they were ready to fulfill any order, however difficult. As a result they proved to be not simply superfluous, but in some way culpable.

That press conference was the grand finale in the funeral rites of a great counterintelligence service, rites that had begun in the era of Gorbachevite blather. And the first to drive the aspen stake into the heart of an organization so badly needed by the state was Vadim Bakatin, who gave away more secrets than the CIA could have collected in a century and effectively wrecked the network of agents.

Even then, the best cadres began to be dismissed from the state security system. I will venture to mention among them Filipp Bobkov, first deputy chairman of the KGB. He enjoyed tremendous prestige, and when he went, he took many specialists with him. We have already reported who it is that they serve now — the "Most" group.

The "Alfa" and "Vympel" men were scattered around numerous commercial organizations. They are now earning many times more than before, but the vast majority of the super-specialists feel no moral satisfaction, because they had grown used to serving the Motherland. And it was taken away from them.

Bakatin and his ilk did their work, and can now rub their hands with glee as they observe the special services' helpless actions. This was seen when the Chechen terrorists seized the hostages at Mineralnyye Vody, but was particularly apparent in the recent tragedy in Budennovsk.

We sought comments on these actions from spetsnaz [special-purpose forces] officers from the Main Intelligence Directorate — virtually the only one to have survived the ruinous restructurings. For a long time they refused, because they saw the breakup of the former antiterrorist subunits as being mainly to blame for the blunders in the Budennovsk operation. Then they mentioned several scenarios for action that they had proposed. Why were these not adopted? Because in Budennovsk there was an operations staff which was responsible for the actions of the power structures. But in such cases decisions should be made not by a "village council" of representatives, but by just one professional who has the power to act. This latest "pluralism" among the special services spewed out totally uncoordinated actions. We have known for a long time that the swan, the crayfish, and the pike can't pull the cart [reference to Krylov fable: the three creatures all pull in different directions].

But millions of inhabitants of Russia are perplexed and puzzled not only by the unsuccessful operation to free the hostages. They ask: How did the bandits manage to travel hundreds of kilometers unhampered? Representatives of the MVD [Ministry of Internal Affairs] and FSB [Federal Security Service] keep emphasizing to journalists at press conferences: The bandits had prepared carefully for their operation. It is strange to hear that. Dudayev and his crew had declared many times that they would take the hostilities from Chechnya to Russia and had publicly threatened terrorism. So they were prepared, but not, it appears, the MVD and the FSB?

I realize that unsubstantiated accusations do a journalist no credit. But passions are too heated at present, and it is hard to keep emotions in check. Especially since some quite convincing facts lie behind them.

I have already said that many first-rate specialists have left the counterintelligence service. I am acquainted with some of them, I know about some of the jobs they have done, and so, believe me, any flattering epithets I apply to them are justified. A great many novices have entered the counterintelligence service, and naturally that could not but affect the effectiveness of the special service's work.

That is the first thing. Secondly, we should obviously not forget that those who left still have comrades and colleagues inside the FSB. Corporate bonds are strong, and despite their nondisclosure pledge, the present counterintelligence workers could very well share information secretly with their former colleagues. Could that information be misused? Yes, probably.

Thirdly and lastly, phenomena have begun to occur there, in the FSB, that can be called, at the very least, bizarre. I will give an illustration from my own experience as a journalist.

I wrote on three occasions in ROSSIYSKAYA GAZETA about the disclosure of state secrets by the journal VOYENNYY PARAD, which is published by a U.S. citizen, and about that journal's involvement in weapons sales and other unseemly activities. To be frank, I had hoped to receive help and support from the FSK (as it was then called) in the cause of defending Russia's interests. Especially since I had learned that one FSK directorate had serious complaints about the items published in the journal.

I asked Aleksandr Mikhaylov, chief of the FSK Public Relations Center, for help. But I got a real "brush-off," as they say. If only General Mikhaylov had confined himself to that. After my first report was published, he called the chief editor (via government communications) and declared indignantly that I am working for certain foreign firms and am therefore trying to stand in the way of a noble initiative in the form of the journal VOYENNYY PARAD.

Ridiculous? Or is there some other explanation for the counterintelligence general's behavior? Such as the fact that an issue of VOYENNYY PARAD containing an article by S. Stepashin was about to come out. I wonder who received the fee for that item? According to my information — admittedly without documentary confirmation — those who have contributed such articles (and VOYENNYY PARAD has sought to print articles by many members of the government) have been well paid. In "greenbacks." I stress again: That is hearsay, you can believe it or not, as you will.

Apart from illustrations from personal experience, there are others that are common knowledge. Why did Dudayev's mission operate unhampered in the guise of the CHECHENPRESS agency? And how are we to assess the recent showdown in Moscow, when FSB staffers and policemen shot at each other?

All these are unprecedented blunders that are bound to make anyone think. Just as we cannot react with indifference to Shamil Basayev's remark that the only reason they did not get as far as Moscow was because they did not have enough money for bribing the GAI [State Motor Vehicle Inspectorate] staffers. I think he said that just for effect, but there have been stories about extortion by GAI men for a long time. And these stories are by no means unfounded, as the MVD leadership itself acknowledges.

It also acknowledges another and far more worrying fact — that bribe-taking exists among police structures. However, it is becoming clear today that corruption in the MVD organs has begun to assume dangerous dimensions. Within the MVD itself there are subunits whose job is to combat the problem of colleagues who have sold out. Alas, they are patently not coping with their duties. The MVD is becoming a giant with feet of clay. And a giant like that holds no terrors for today's criminal world — which is coordinated, very well armed, and disciplined.

It holds terrors for us. It is terrifying to live in a country where it is hard to find protection from bandits. I know the answer to my accusations will be this: Many troubles come from the general disorganization in the country. And the police, who are paid peanuts, cannot confront a rich criminal world.

But is it true that all our troubles come from a certain chaos in our life and from the lack of money? I think not. Let us remember how the military operations in Chechnya began, how incompetent and unprepared they were. How many critical arrows were fired at the Army then. And how well is it fighting now? Virtually unerringly. So it is not a question of the officers' monetary welfare or the general situation in the country, it is a question of the leaders.

We want to live in a great country. Whatever those who are eternally dissatisfied may say, the fact is that Russia is beginning to stand on its own two feet in both the economy and politics. Now more than ever before, in order to ensure stable development, the country needs strong power structures and law-enforcement structures. First and foremost a reborn FSB and an MVD that is uncompromising in the fight against crime. But who has the power to revitalize them?

In the State Duma, passions seethed over the government. We know the deputies' view. But it is the president who decides whether or not to replace the power ministers. And he, of course, will weigh up and evaluate everything before making such a decision.

Several commissions are now investigating the events in Budennovsk. Among them is a Security Council commission. One hopes that they will not only uncover the causes of the tragedy that occurred. Concrete measures are needed to strengthen the bulwark of the state, which is what its power structures undoubtedly have been and remain.

Protection of Confidential Data Urged

954F2590B Novosibirsk VECHERNIY NOVOSIBIRSK in Russian 19 Jun 95 p 2

[Unattributed commentary under the "Secrets, Security, and Law" rubric: "Vaccine Is Needed Against Spilling Secrets..."]

[FBIS Translated Text] The transition from the state of a closed society, where nearly every bureaucratic circular was classified, to an "open" one took place so swiftly that competent people discovered only in hindsight that information in Russia is not properly protected either technically or legislatively.

The people who gathered at an interagency regional conference in Novosibirsk were precisely those competent to discuss the aspects of information security. Essentially, the point is that the notions of state secret, military secret, commercial secret, and confidential information need to be redefined. In his presentation on experience in developing the concept of information security for the Russian Federation [RF], RF Security Council member A.P. Kurilo went in detail into the legal mechanisms of information protection. Such mechanisms exist in U.S. practice. In Russia, however, all we can do is register the regrettable consequences of the lack thereof.

Quite dangerous is the nonprotection of personal data, which includes records in passport offices, pension fund records, housing wait lists, and state motor vehicle inspection records. There are known instances when crimes were committed after penetrating these databases. Geologic and cartographic database information needs to be protected. What is important is that laws protecting this kind of information can be adopted not only on the federal but also local level.

At this point, it is probably too early for Russia to worry about the problems of a computerized post-industrial society. Nevertheless, the world situation is such that, for instance, the United States wants to set up an integrated computer system, whose database would be accessible for every citizen. There is, for instance, a functioning "superhighway" system, developed by the U.S. Department of Defense and now serving civilian needs. This system possesses a databank that is impervious to computer viruses or failure. Any respectable American businessman considers it a must to have a link to this system.

Military Issues

16,600 Army, MVD Troops To Supplement Moscow Militia

LD2106141395 Moscow INTERFAX in English 1230 GMT 21 Jun 95

[FBIS Transcribed Text] MOSCOW, June 20 (Interfax) — A total of 16,600 servicemen of the Russian army and interior forces of Russia's Interior Ministry have been assigned to the Moscow militia for help, acting head of the Public Order Department of the Moscow Interior Department Nikolay Menshikh told Interfax Wednesday.

In his words, about half of these people will patrol in Moscow's streets and places of public gatherings.

In addition, Menshikh said, due to introduction of emergency measures additional forces from the apparatus of the Main Interior Department services will be involved in guarding of public order in the capital.

Speaking about the operative situation in Moscow, Menshikh underlined that there has been no any special incidents related to detention of people involved in transportation or storage of arms or suspected of preparation of terroristic acts over the last two-three days.

He explained increase of detained people for different kinds of administrative violations almost by two times (almost 12,000 people) by a proportional reinforcement of militia posts in the capital.

According to Menshikh, the ratio of legal violations committed by the people from Caucuses in the capital in the total number of crimes remains "in the framework of general rates, approximately one to seven-eight."

Troops 'Protecting Public Order'

MM2206152995 Moscow IZVESTIYA in Russian 23 Jun 95 p 2

[Report by Viktor Litovkin: "Army Helps Keep Moscow Under Control"]

[FBIS Translated Text] This is not the first time that the Muscovites have seen military hardware on the capital's streets and squares and outside state buildings and patrols reinforced by soldiers, students, and officers in subway carriages and at stations. But it is only now that the leaders of the power departments have announced that, in accordance with the president's directive, a decision has been adopted to significantly reinforce the protection of Moscow's main active installations. Admittedly, it is still not entirely clear how many troops are involved.

All of the editorial office's attempts to establish the true state of affairs in the past two days have been without result. Officials kept the secret tight until it proved impossible to hide it.

At a meeting with military physicians, Army General Pavel Grachev, Russian minister of defense, named a figure of 15,000 servicemen. The Ministry of Internal Affairs named 16,000 of their subordinates plus 5,000 attached men. The total is over 35,000. Lieutenant General Valeriy Belyaev, chief of staff of the Airborne Troops, said that paratroops from the Tula and Ivanovo divisions have arrived in Moscow. They are all being housed on the territory of the Frunze Central Airfield. Their task is to help the militia. None of the Airborne Troops servicemen will act autonomously, but only under the leadership of the law enforcement organs.

Apart from protecting public order, the servicemen of the Moscow Military District are involved in firefighting, so Colonel Vladimir Guryanov, chief of the Moscow Military District press center reported. Over 200 servicemen have departed for Vladimir Oblast for this purpose, and over 1,500 servicemen and 110 pieces of army hardware are involved in such operations altogether, and 60 special demolition groups have been formed to carry out anti-fire work.

[Report is accompanied by a photograph which is described in the following caption: "Paratroops from the Airborne Troops Tula Division are patrolling the automobile bridge on the beltway near the Moscow neighborhood of Strogino. They have assault rifles over their shoulders and magazines in their ammunition pouches."]

Data on Soldiers, Equipment Cited

MM2206132995 Moscow KOMSOMOLSKAYA PRAVDA in Russian 22 Jun 95 p 1

[Feature comprising reportage by Viktor Sokirko; interview with Colonel General Yevgeniy Podkolzin, commander of Airborne Forces, by Aleksandr Khokhlov; and report by Tatyana Tsyba under general heading: "What Are Airborne Forces Doing in the Capital?"]

[FBIS Translated Text]

Reportage for the Issue

Army tents have sprung up like mushrooms after the long-awaited and already really tiresome rain in Moscow. The "mushroom" site is on Khodynskoye Pole, where training sessions for parades used to be held and where troops and hardware were stationed. This time, when no festivities are foreseen in the capital in the immediate future, the servicemen's appearance on the parade ground is accounted for by their involvement in joint patrolling of the city with the police.

At the Tula Division's field staff, deployed beneath camouflage netting, we were denied any information and permission to photograph the "installation" without permission from the commander of the Airborne Forces. They also did not show journalists any special kindness in the joint staff of the troops who have arrived but insistently recommended that we leave the parade ground. Guarded by a gallant paratrooper, we were escorted in drizzling rain to the checkpoint gate. And yet we did manage to learn some details of the new "garrison."

Two regiments of the Airborne Forces have arrived at Khodynka from Tula and Kostroma, as well as cadets of military schools — Kolomna Artillery School, Serpukhov Missile School, Tula Engineering School, and Ryazan Motor Vehicle School. The overall strength of the grouping is as much as 5,000 men. All the servicemen have arrived in Moscow with their regular-issue weapons, but without heavy armament. Officers maintain that the combat hardware was also left at the permanent stationing locations.

Soldiers on the parade ground said that they did not receive any special instructions before leaving on this trip, but they were advised to abstain from contacts with civilians. The fighters were informed that they would patrol Moscow and guard state military installations against possible sabotage. So far the servicemen have closed off all points of access to their location.

The troops arrived in the capital hurriedly, having been "alerted" by order of Colonel General Leontiy Kuznetsov, commander of Moscow Military District. They are subordinate to him. Yesterday a joint conference of the military command and the police was held to discuss the procedure for patrolling the city. The introduction of a curfew was not discussed.

This is not the first time that a "state of siege" has been declared in Moscow in connection with possible sabotage, although previously security was ensured by the forces of the capital's garrison.

The Opinion of Colonel General Yevgeniy Podkolzin, Commander of the Airborne Forces

[Khokhlov] Yevgeniy Nikolayevich, why have troops been brought into Moscow?

[Podkolzin] Airborne forces from the Tula and Ivanovo divisions have come to the capital to patrol the streets together with the militia and to guard establishments of state importance, railroad and automobile bridges, key crossroads, and subway ventilation shafts. All these measures have been made necessary by recent events in the North Caucasus.

[Khokhlov] Who decided to bring the troops into the capital?

[Podkolzin] The Russian Government. As far as I know at the Moscow authorities' request.

[Khokhlov] How many of your soldiers and officers will take part in patrols and in guarding establishments?

[Podkolzin] About 4,000 airborne forces and about 30 armored vehicles have come to Moscow. Apart from the airborne units and subunits the capital's reinforced guard will be ensured by students and cadets from military training establishments and by servicemen from the Moscow garrison and the Moscow Military District.

[Khokhlov] Will the army patrols be armed?

[Podkolzin] In the subway the soldiers will be unarmed but when guarding establishments missions will be fulfilled by armed soldiers and officers.

The Opinion of Moscow Mayor Yuriy Luzhkov

GUVD [Main Internal Affairs Administration] reports have temporarily become the handbook of Yuriy Luzhkov, the capital's mayor. "It is necessary to combat bandits with their own methods," he said. "No mercy for killers who hide behind women and children. We are doing everything possible to safeguard the capital from terrorists, but the possibility of terror cannot be ruled out. I therefore ask Muscovites, in cases of anything suspicious, to report any unusual situations to the police."

The terrorists' offensive against Moscow failed. Budennovsk fell victim, but the possibility that dozens of other Basayevs will reach the capital cannot be ruled out. Of course, you cannot fence the city off behind concrete and barbed wire. You also will not fight rats with atom bombs. Therefore it is pointless to assemble troops and put armored hardware on the capital's streets. But we cannot sit with arms folded either. In Moscow there are five nuclear reactors and dozens of installations where there would be a threat of disaster if they were put out of commission. Therefore, although Moscow is not panicking, it is taking measures to ensure the safety of the city and the people. The GUVD service has mobilized 23,760 people, and a further 1,202 are in reserve. Colleagues have come to the assistance of Muscovites — this is a further 6,114 people. Armored personnel carriers have appeared outside certain administrative buildings. An armored car in the yard of City Hall, for example, does not let us relax and forget the threat. In all, an additional 13 armored vehicles [yedinitsi bronevoy tekhniki] have been brought into the city.

'Total Strength' Placed at 23,000

MK2306114095 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 23 Jun 95 p 1

[Report by Aleksandr Pogonchenkov and Oleg Fochkin: "23,000 Truncheons Plus APC-ization of All Moscow"]

[FBIS Translated Excerpt] Alarmed by the Budennovsk events and the threat of their possible repetition in Moscow, the authorities are taking special measures. The amount of both law enforcers and the military attached to them has been upped on an urgent basis. Although no state of emergency per se has been imposed, no one can rule out such a possibility. [passage omitted]

In addition to the internal troops subunits brought in during the first days of the Budennovsk tragedy, 7,000 assault troopers from the Tula and Ivanovo divisions, as well as military school cadets and military academy students, have been on an around-the-clock guard, as of yesterday, of the especially important facilities. The total strength of the attached forces is 23,000 men.

How effective this beefing up will be is the question. We know from the fall 1993 emergency situation that the regular army in a city is "something special." Perhaps heartening is the fact that, not wishing to deplete the regions, they did not rush to Moscow special militia detachments from other cities. It is members of these forces who especially "distinguished themselves" in fighting residents of the capital. I am not speaking about "fines without issuing receipts," cassettes, cigarettes and other small things disappearing when your car underwent inspection. But all too often did they use rifle butts, truncheons, and other special weapons, with no rhyme or reason at that. [passage omitted]

The worst that can happen under the circumstances is the absence of centralized command, and clashes between the different law enforcers. Incidentally, at the most conservative estimate, pressed into service in the capital will be no fewer forces than during the October 1993 events. Despite the fact that the threat is much more serious now. And this amount of additional troops is quite justified. Most importantly, they are supposed to do what they have been called to do. Otherwise, it's you who may end up a terrorist if the men bearing arms don't like your looks.

Special Services Say Grachev 'Betrayed' Plans to Chechens

LD2206161995 Moscow NTV in Russian 1500 GMT 22 Jun 95

[FBIS Translated Text] Representatives of the special services strongly criticized Defense Minister Pavel Grachev today. They literally accused him of having betrayed plans of possible actions to the Chechens. As representatives of special services stated today, it was Grachev who said on the eve of the [Budennovsk] operation that it was the turn of the special subunits to act, and this in fact constituted a warning to the bandits that a new stage of the operation was about to start. That did nothing but complicate the subsequent actions of the Alpha group.

Grachev Addresses Military Medical Service Rally

MM2306141695 Moscow KRASNAYA ZVEZDA in Russian 23 Jun 95 p 1

[Report by Petr Altunin: "In Three Years the Russian Army Has Become an Integrated Military Organism"]

[FBIS Translated Text] A three-day rally of leadership personnel and specialists of the Russian Federation Armed Forces military medical service has taken place [date not given]. The results of the medical service's work in 1994-1995 were summed up.

In the report of Colonel General of the Medical Service Ivan Chizha, chief of the Main Military Medical Directorate, and the speeches by participants in the rally, the main attention was concentrated on the military medics' actions in "hot spots," and first and foremost in the Chechen conflict zone. During the rally a scientific conference was held, devoted to questions of the formation of a territorial system of medical support for troops and naval forces. An exhibition of field medical equipment and technical facilities developed by Russian industry prompted interest.

The rally was addressed by Russian Federation Defense Minister Army General Pavel Grachev. Speaking about the safeguarding of the Russian state's defense capability, the defense minister noted that in the past three years it has proved possible to set up the Armed Forces as an integrated military organism capable of fulfilling the tasks it is set.

In the new geopolitical conditions in which Russia finds itself, the role and tasks of the Army and Navy have also changed. The Defense Ministry has reviewed approaches to the strategic planning of the use of the Armed Forces and their mobilizational deployment. The Mobile Forces have been set up, based on the Airborne Troops. But the main guarantor of security and the chief deterrent against the unleashing of aggression against Russia and its allies now and for the immediate future is the Strategic Nuclear Forces. We also attach priority significance to their development.

Since May 1992 the numerical strength of the Armed Forces has been reduced by approximately 1 million —

including 385,000 in 1994 — and their strength now totals 1,917,400 servicemen.

The tasks set for the Army and Navy have been fulfilled. Assessments have shown that the Russian Armed Forces are controlled and combat-ready.

"The reorganization of the Army and Navy is taking place against the background of a complex situation within Russia," Army General Grachev noted. "First and foremost I am talking about Chechnya. The federal troops' actions in imposing constitutional order in the Chechen Republic have shown that we must pay serious attention to ensuring that the Armed Forces are provided with all the stipulated types of supplies in the quantities planned, giving priority to the purchase of new models of arms and combat hardware and to improving the troops' level of technical equipment; to improving the troops' combat and operational training; and to the staffs' study of questions of conducting combat operations in local wars and armed conflicts and the troops' training in operations in large settlements and cities."

The defense minister also singled out a number of other priority tasks and noted that the military-medical service must find its place in the work of resolving these tasks.

Answering journalists' questions, the defense minister noted that the events in Budennovsk were a blatant provocation by Dudayev's supporters. We are in favor of a peaceful solution to the Chechen conflict, but we cannot relax our vigilance: The provocations could be repeated. Their organizers must bear the severest liability for the crimes committed.

Federal Assembly

Further Reportage, Commentary on No-Confidence Vote

Chernomyrdin Seeks Re-Vote

LD2206125395 Moscow INTERFAX in English 0933 GMT 22 Jun 95

[FBIS Transcribed Text] Moscow, June 22 (INTERFAX) — Russian Prime Minister Viktor Chernomyrdin, exercising his constitutional right, submitted a representation to the State Duma on Thursday, in which he initiates that the question on confidence in the government be put to a vote once again. According to well-informed sources, this move was made in an effort to overcome the ambiguous position the government found itself in after the last vote.

As is known, on Wednesday the State Duma passed a no-confidence vote in the government. Meanwhile, the Russian president, in compliance with his constitutional right, announced that he has confidence in the Chernomyrdin government and does not intend to decree its resignation.

INTERFAX learned from well-informed sources that Chernomyrdin had decided, after today's meeting in a narrow circle chaired by President Yeltsin, to ask that the Duma again debate the item of confidence in the Cabinet of Ministers.

Meanwhile, a government spokesman told INTERFAX that Chernomyrdin will make an official statement on this score over television today.

Isakov Urges Duma To Refuse Re-Vote

LD2206180595 Moscow INTERFAX in English 1602 GMT 22 Jun 95

[FBIS Transcribed Text] Moscow, June 22 (INTERFAX) — Vladimir Isakov, head of the Russian State Duma Legislation Committee, thinks that under the Russian Constitution and the Duma's regulations, the lower house should refuse to consider the issue of confidence in the government, since it has already been settled, he said in an interview with INTERFAX Thursday.

Earlier Thursday Prime Minister Viktor Chernomyrdin raised the question of a renewed vote on confidence in his government after being defeated in parliament by a margin of 15 votes yesterday.

Isakov believes that the Duma will not consider Chernomyrdin's appeal. He said that at an Agrarian party faction meeting Thursday "the deputies considered the position well-grounded." "I think the other factions will support it too," he said.

Isakov gave his own interpretation of Article 117 of the Constitution, which says that "the Russian government can send in its resignation on its own initiative, resign by the president's decision, as a result of a vote of no confidence by the State Duma, or the Prime Minister can raise the question of confidence in itself in the lower house." According to Isakov, "the State Duma began the procedure on its own initiative and settled the issue Wednesday." "If the Duma had not settled the issue or left it open, then the government could have raised the question of confidence," said Isakov.

"I do not see any point in raising the question for the second time," he said.

Glazyev Urges End to Economic 'Madness'

MM2206151395 Moscow SOVETSKAYA ROSSIYA in Russian 22 Jun 95 p 2

["Abbreviated" version of speech by Deputy Sergey Glazyev, at the State Duma 21 June under the general heading "Vote of No Confidence in Chernomyrdin Government": "Speech by State Duma Deputy Sergey Glazyev, Sponsor of the No-Confidence Motion"]

[FBIS Translated Text] Esteemed People's Deputies!

I am speaking on behalf of those deputies who are united by a common sense of pain over the fate of our great and long-suffering fatherland, for the fate of Russian culture, science, industry, and agriculture, and for our people's physical and spiritual health.

In which vitally important sphere of activity has the current government achieved positive results? In the economy and finance? In social policy? In nationalities policy? In the fight against crime? In culture and science? In military policy? In foreign policy? Everywhere the results are teetering on the brink of national disaster or shame.

Those who signed the statement of no confidence in the government included nine Duma committee chairmen. I hope that each of them will be allowed to speak so that we can discuss the current state of affairs in our state comprehensively and professionally. My task is to assess the results of the government's socioeconomic policy.

Take the 1994 budget. It was shamefully rejected — expenditure was almost one-third underfinanced. Take the president's 1994 message on the tasks of socioeconomic policy, which was supported by the State Duma. Virtually all the points in it have also been thwarted. Take the government's pledges under the Social Accord Treaty — again there have been positive results on hardly any of the points.

The current situation is very reminiscent of last summer, when an enlarged government session announced the "achievement of economic stabilization." This happened against the backdrop of a record slump in industrial production. And, as we well recall, this statement was soon followed by "Black Tuesday" and a new surge in inflation.

We are now hearing statements about "successes" from government leaders at a time when real wages over the first five months of the year have fallen 29 percent and official unemployment has almost doubled on the same period last year. Every senior-grade student probably now knows that there can be no economic growth without investment and increased demand. It is only theoreticians from the Council of Ministers who are continuing to drone on importunately about success in creating the prerequisites for economic growth against the backdrop of... an unprecedented slump in capital investment and consumer demand!

The almost 30-percent fall in capital investment since the start of the year and the increase to 45 million in the number of the population whose incomes are below subsistence levels leave virtually no opportunity for creating the prerequisites for economic growth in the immediate future.

Unfortunately, our predictions have been borne out yet again. Despite the government's persistent statements last fall about the anticipated stabilization of the economic situation this year, it is continuing to deteriorate rapidly. Inflation remains intolerably high. Although the rate of the industrial production slump has slowed to 5 percent, there is still an obvious trend toward the deindustrialization of the economy. Consumer-goods production has fallen by 14 percent, and by 30-40 percent for many consumer durables.

The slump has been 40 percent in light industry. Production growth is only visible in export-oriented raw-material sectors.

Thus, as before, the higher the technical level and the more requirements certain sectors have in order to produce consumer goods, the harder their decline has been. The obvious trend toward the degradation of our country's economic structure is continuing.

Agriculture has taken a particularly heavy hit this year. The slump in purchases of agricultural goods has already reached 30 percent on the basis of first-quarter results.

We are currently seeing not a "transition to economic stabilization." We are seeing a new phase of the structural crisis characterized by an even deeper depression than the one which existed before.

Its key elements are the dumping of production capacity, the growth of unemployment, and a fall in the population's real incomes. That is the reality we are encountering this year.

Instead of a "socially oriented market," as a result of the government's economic policy we are obtaining a colonial economy producing almost exclusively raw materials which are exported in exchange for consumer goods.

In social terms this economic policy and economic structure mean a disintegration of society into socially hostile groups and a sharp growth in social tension. Society is splitting into coupon-clippers who were careful to latch onto the sources of natural-resource revenue in good time, making millions in the process; those who serve the interests of importing foreign capital; and all the rest — a large proportion of whom are doomed to lose their jobs and their livelihoods.

The contours of this new social structure in our society are already clearly visible. The huge income differentials between those enjoyed by a handful of the richest people and the overwhelming majority of the population are creating irresolvable social problems.

The direct result of this economic policy has been not merely impoverishment, but the direct degeneration of a large section of society. Last year the natural population decline was around 1 million people. There has been a sharp drop in life expectancy.

The incidence of disease caused by social factors has increased several times over in the past two years.

We are not merely judging the government's actions on the basis of the results of the past two years. The tragedy is not merely that over the past two years we have lost a quarter of our economic potential and a third of our industrial potential, nor that we have almost wholly destroyed our high-tech industry and undermined our defense capability and the potential for future economic growth. What is far worse is the fact that the new government program does not contain a range of the measures required to get the country's economy out of crisis. Moreover, the implementation of the avenues of socioeconomic policy outlined in the government program is provoking a further deepening of the recession and a strengthening of the trend toward the deindustrialization and degradation of our economic structure. The anticipated slump in production and capital investment — which, for investment, is down almost five-fold on 1990 — exceeds the level which allows us to maintain reproduction, support our defense capability, or maintain acceptable living standards for the population.

Our analysis shows that none of the executive's officially declared economic policy goals will be achieved. This also applies to the goals set out in the president's message at the start of the year.

This unsatisfactory assessment of the government's activity is not just our private opinion — it is the conclusion of the parliamentary hearings which we held in April, immediately after the new government program was adopted. This view is shared by leading economic institutes and analysis centers around the country. We are also expressing the position of Russian commodity producers, trade unions, and labor collectives, which have long been calling for the government to resign — and I believe that each one of us has been inundated with similar demands which we are receiving from virtually every part of the country.

Esteemed colleagues! I recall that last fall, when we were putting forward demands to change the government's economic policy in the interests of Russian commodity producers, we were to all intents and purposes turned down, when, at the time, the government was holding talks with international organizations and accepting demands diametrically opposed to those put forward by Russian business and Russian commodity producers. The statements issued by the government and the Central Bank which, unlike the budget, have been and are being clearly observed now, patently ran counter to the interests of Russian commodity producers and our business circles, stipulated Russia's unilateral adoption of commitments not to use measures generally accepted worldwide to protect its domestic market, and envisaged the abandonment of an active economic policy and the winding up of programs to stimulate investment activity.

To all intents and purposes, instead of our proposals, which allowed us to hope that we could climb out of depression and achieve economic growth this year, entirely different proposals — effectively imposed from outside — were adopted. Having abandoned an independent monetary and credit policy, the government has now to all intents and purposes fallen hostage to the restrictions by which it has bound itself to the international organizations.

The government now does not know what to do about the ruble exchange rate. Having violated the accords between the Duma and the government during the examination of the budget and having abandoned the idea of lowering the ruble exchange rate in proportion to inflation — which is currently around 8 percent a month — huge damage (by our estimates around 50 trillion rubles [R]) has been done to domestic economic agents. Exports are suffering, Russian industry's competitiveness is suffering, commodity producers are suffering, and the population is suffering.

Another threat is being created of a repetition of "Black Tuesday." We see no plan that would avert the threat of further destabilization on the money and lending markets, we see no plan to prevent a new wave of currency speculation, we see no plan to attract additional available ruble funds to develop production.

The impoverishment of 45 million people and the prospect of one-third of our country's population being malnourished by the end of the year on the basis of per-capita protein consumption is the direct result of government policy. By imposing several months ago a budget which falsely forecast inflation at 2.5-3 percent a month, the government has to all intents and purposes deliberately misled the State Duma and the public.

With all the variables involved in macroeconomic forecasting, it turned out that inflation could not be less than 5 percent. And the government has now effectively admitted this in its economic program. But admitting it is not enough. How are we to rectify the consequences of the mistakes that have been made? The mistakes made in budget planning have now resulted in a sharp fall in the population's real incomes and in the real wages of people working in budget sectors, the defense industry, or the Armed Forces. Having understated the anticipated level of inflation by one-half and obtained a hidden source of additional revenue, the government is in no hurry to use it for socially important needs. Although first-quarter budget revenue was overfulfilled, expenditure was almost 20-percent underfinanced. And that includes state investment in defense orders — by more than 50 percent — and expenditure on social measures (by more than 30 percent). At the same time, the government is stubbornly building up and servicing its financial obligations, building a financial pyramid of its own in the interests of privileged commercial structures, which will result in very rapid growth of the share of budget expenditure dedicated to servicing state debt, and creating an intolerable burden for those who come to power and are forced to deal with these obligations next year.

People are trying to persuade us that the collapse of industry and agriculture and the impoverishment of the population are the inevitable price of economic reform. That is fraudulent. The main cause of this year's high inflation is not the printing of money but the pricing policy adopted by the natural monopolies.

I can tell those who do not know that in April alone the price of natural gas surged by 36 percent. We now understand where high inflation comes from, where price growth for energy sources comes from, and why it has proved impossible to defuse price growth, whatever measures of monetary and credit policy may be used.

At a time when 10 percent of the country's population is already malnourished and one in every three people is living in poverty, the budget contains no money for the most urgent social spending even though foreign consultants and their patrons in the Russian Government have spent the past two years building up assets worth many millions by selling shares in former Russian state enterprises.

Under Mr. Chubays' wing, foreign advisers, exploiting their privileged position as the organizers of privatization procedures, have themselves been undertaking speculative business, organizing the sale of Russian enterprise shares abroad for hundreds of millions of dollars and to all intents and purposes getting rich using our property. Under the law in any so-called civilized country, as people here like to say, this would be a crime. For our government it is economic reform! This policy has resulted in economic chaos, the collapse of society's productive forces, and the degradation of a considerable proportion of the population. Summing up the balance sheet, we can say that on one side we have innumerable multimillionaires who have grabbed a sizable slice of the former state pie in raw-material sectors over the past two years, along with foreign speculators who have made huge fortunes from the good contacts they enjoy with our organs of power; while on the other side we have 45 million poor and 15 million malnourished people, a huge growth in crime, and the complete collapse of the state apparatus. This balance sheet will become even more depressing in the future.

The recent tragedy in Budennovsk is a typical example of our authorities' lack of unprofessionalism and irresponsibility. The whole country has now fallen hostage to adventurism and incompetence. Whatever mistakes our government has made, it will have to answer for them to the people. Those to blame for the collapse of state policy are becoming heroes and millionaires, while the burden of their experiments is being shouldered by the population.

Esteemed State Duma Deputies! In my mind, it is clear to everyone just who we are dealing with in the shape of the leaders of our government. They are not interested in the problem of the people's impoverishment or the destruction of industry; they are unconcerned about the prospect of famine in the country as a result of the destruction of agriculture and the decline in the population's real incomes.

They are calmly watching the destruction of our scientific and industrial potential and the disappearance of the source of our future economic growth. They are refusing to talk to Russian business circles and are turning a blind eye to the demands of commodity producers, trade unions, labor collectives, and public organizations. On the other hand, they are willingly granting privileges to foreign companies and willingly distributing state property and finances.

I have no doubt that we are effectively dealing with a puppet policy shaped and controlled by international organizations pursuing that policy on the basis of the interests of speculative and foreign capital with an eye to their personal and corporate advantage.

In order to reinforce this policy and reinforce their influence, government leaders have now embarked on the creation of their own party of power, effectively embarking on the path of openly violating the legislation on the state service enshrined by the relevant presidential edict and by the law "On the Government."

The question arises as to why we are putting up with all this. We are putting up with people making a mockery of our country, of common sense, and of the interests of the overwhelming majority of society. Are we not responsible for everything that happens in our country? We can see that a suicidal policy is being implemented for the economy and society, but it is very profitable for those implementing it. We can see that, instead of economic development, property is being divided up and the powers that be are getting richer while the majority are getting poorer. But we can also see a way out of the crisis — we know what needs to be done to climb out of economic depression and bring about real economic stabilization.

We have a program which contains a full list of the measures required to begin an economic revival and recovery. We also realize that the current government will be unable to carry out this program, because its interests lie entirely elsewhere — in focusing on dividing up state property and the budget. The question arises — just what are we waiting for and what are we scared of? That the president will not sign the law on elections to the State Duma, or that he will not dissolve it, or that some other threat will emerge to our social position? We should be afraid not of the dissolution of the State Duma but of the consequences of the economic policy being pursued by the government — the devastation of industry, the destruction of agriculture, the elimination of science, education, and health care, and the degeneration of the nation.

Esteemed colleagues! To all intents and purposes the fate of our country for many years to come now depends on us — either the destruction of the economy and society will continue, or we will attempt to halt this crazy self-destruction. Let us leave behind our pathetic fears about whether we will be dissolved or not, about whether the law will be signed or not, or about who will be criticized in the elections. Let us recall our responsibility to the people who in the elections unambiguously advocated changing socioeconomic policy in the population's interests.

Now everything is being readied for the elections in view of 1996. But we need to realize that it is this year, 1995, that will largely be decisive. Because it is this year that attempts are being made to complete the dividing up of property. It is this year that the colossal threat of the irreparable destruction of our scientific and industrial potential is being posed. It is this year that a depressed economic structure could take shape that will make for a protracted depression for a decade to come.

In conclusion, many well-intentioned people want to present the Duma and our desire to see a responsible government as a way of destabilizing the sociopolitical situation in the country. I would like to respond to these accusations by paraphrasing the well-known statement by Stolypin: "With an irresponsible government we will continue to be doomed to great upheavals and to the destruction of Russia." A vote of no confidence in the government is a courageous step and the only possible constitutional step open to the State Duma. It is aimed at overcoming the paralysis and lack of will shown by the executive. There is nowhere to retreat to. Nobody, apart from the State Duma, can halt this madness in our country.

Speech by Yabloko's Yavlinskiy

MM2206131695 Moscow SOVETSKAYA ROSSIYA in Russian 22 Jun 95 p 2

[Speech by Yabloko faction leader Deputy G.A. Yavlinskiy in the State Duma 21 June under the general heading "Vote of No Confidence in Chernomyrdin Government"]

[FBIS Translated Text] The State Duma has repeatedly adopted decisions expressing no confidence and asked for such ministers as [Defense Minister] Grachev, [Internal Affairs Minister] Yerin, and others to resign. But under our Constitution we do not have the opportunity to enforce them, and we have repeatedly found ourselves in the position of supplicants, unable to reach any solution on this. That is why the Yabloko faction believes that the only means of resolving the issue and attempting to begin a peace settlement in the North Caucasus is to adopt a motion of no confidence in the government as a whole and on that basis remove the people responsible for the thousands and thousands of deaths in the North Caucasus. At the same time we realize that under severe pressure of circumstance Prime Minister Chernomyrdin has found an opportunity to stop the shooting in the North Caucasus and begin something akin to peace talks. Therefore, while insisting on a vote of no confidence in the government as a whole, we consider it possible — if the government's resignation is accepted — for Chernomoyrdin to once again be entrusted with forming a government, on condition that the incumbent defense minister, internal affairs minister, security minister, and Yegorov are not members of that government, that peace talks in the Caucasus continue, and, most importantly, that the cease-fire is upheld.... At the same time the Yabloko faction deems it necessary to say, as it has said in the past, that President Yeltsin is entirely to blame for the socioeconomic situation in the country and above all for the civil war in the North Caucasus. If we had a real chance of instituting a process of impeachment against the president, we would do so.

Yabloko To Vote Against Government

LD2206200495 Moscow INTERFAX in English 1830 GMT 22 Jun 95

[FBIS Transcribed Text] Moscow, June 22 (INTERFAX) — The Yabloko parliamentary group will again vote against the government when the State Duma takes up the issue of confidence in the government, raised by Prime Minister Viktor Chernomyrdin Thursday.

Group leader Grigoriy Yavlinskiy said that Yabloko voted against the government on June 21 only because the government was responsible for the Budennovsk tragedy.

If, however, a new vote is taken within 10 days, as provided for by the regulations, rather than tomorrow, his group will file a report on all the basic aspects of the government's activities, Yavlinskiy said.

"The government does not admit guilt for what has happened in the North Caucasus over the last six months or for state terrorism. This implies that the executive authority does not feel it must protect the safety of citizens," Yavlinskiy emphasized.

In his view, "the president and government responded to the Duma decision with a fit of political hysteria. This shows that it has never occurred to them that their activities, resulting in deaths of tens of thousands, are not to somebody's liking."

He believes that the federal executive authorities are trying to act as in September and October 1993 when the confrontation between two branches of power culminated in violence. Yavlinskiy said that this time violence can be avoided because the Constitution provides for dissolution of the State Duma.

Report Views Options for Duma

MK2306084095 Moscow KOMMERSANT-DAILY in Russian 23 Jun 95 pp 1, 3

[Report by Veronica Kutsyllo: "Unless the Duma Thinks Twice, It Might Cease Being a Duma"]

[FBIS Translated Text] The summer before last Boris Yeltsin promised the Russian Supreme Soviet "a hot autumn." Everybody remembers perfectly well how it all ended. It seems that this time around political life may "warm up" much sooner: After Yeltsin's refusal to disband the government yesterday and Viktor Chernomyrdin's decision, on his part, to raise the question of confidence in the government at the State Duma, the situation in which the deputies have found themselves is extremely difficult, not to say critical. According to the Constitution, they now have only two options: Either the Duma waives its principles for the sake of self-preservation and votes for the cabinet, or it preserves its honor and thus gives the president the right to dissolve it. Neither can be comforting for the Duma. The best possible way out would be to dodge the second vote — to all appearances it is to a search for ways of bypassing the Constitution and its own rules of procedure that the Duma's entire legal forces will be devoted. Veronica Kutsyllo comments.

The scenario that was played out at the government meeting yesterday had been previously outlined at the Duma by Sergey Shakhray: The government cannot remain in limbo for three months, so it itself needs to sponsor a Duma vote on confidence in it. Thus the period of being "in limbo" would be cut nearly by six times: to 17 days instead of 3 months.

The government does not risk anything by speeding up the process; on the contrary, it wins. Who knows what will happen in three months' time? Who knows if the president's ardent support will cool off or not? For just as the government considers itself the Duma's hostage, it is a hostage to Yeltsin (even though the president can force the government into retirement without any Duma whatsoever). The panegyrics in the premier's honor that are becoming louder and louder cannot but reach the president's ears. As a matter of fact, a eulogy for Viktor Stepanovich delivered by Anatoliy Tyazhlov, head of the Moscow Oblast administration (who had not been known for being sentimental before), at yesterday's government meeting can now be seen as a provocation, not as praise for the premier. Unable to restrain feelings that swept him away, he recited in public a heartfelt doggerel he himself composed: "Coming through pains of labor/Russia will break the impasse/Just hold the steering wheel firmer!/ Chernomyrdin, step on the gas!" The words "Russia," "the steering-wheel," and "Chernomyrdin" in the same line did not change the expression on the president's face, but he could not but take them to heart.

For the time being, the Duma is in check. It is very difficult to imagine that the deputies would vote in support of the government — a U-turn would be simply improper. This turn of events cannot be completely ruled out, however: The president may still fire a couple of "power ministers" next week. But will Yeltsin be willing to help the Duma save face? Moreover, far from all Duma members would want to bring down the "power ministers." The communists surely will not.

As for "proper" ways out, the Duma has only two: to vote against the government or not to vote at all. Attempts to interpret the Duma's rules of procedure that call for the question of confidence in the government to be considered within 10 days have already begun: Vladimir Isakov, the Duma's chief legislator, has made a statement to the effect that the 10 days mean the consideration of the matter by the Duma Council, not by a plenary meeting. Sergey Glazyev, leader of the Democratic Party of Russia, who called the situation over the premier's "counter-suit" idiotic, hinted that the rules of procedure may well be changed. To all appearances, such attempts will be made as early as today's Duma meeting.

KOMMERSANT-DAILY has already wrote about another possibility: the procedure of impeaching the president. While before yesterday mustering two-thirds of the Duma's vote to impeach Yeltsin would have been impossible, after the acceleration of actions leading up to a dissolution and Yeltsin's sharp statements ("the Duma may itself seal its fate," "I am categorically opposed" to amendments tightening parliamentary supervision over the cabinet," and "This cannot be done"), the mood may change. Yesterday the communists had 110 signatures under the impeachment request compared to the 150 required to raise this question.

Even impeachment, however, will not delay the Duma's end for long: A ban on dissolving it will be valid only until the Federation Council's ruling. That Shumeyko's chamber would derail impeachment the next day after it emerges (if at all), there is no doubt. In return, the upper chamber speaker would obtain from the president the edict on forming the Federation Council he needs.

Thus, the State Duma's position appears nearly hopeless. There is practically no way to escape the premier's terrible revenge for 21 June, which was approved by the president in the bargain. Yeltsin has clearly set it as his goal either to portray the Duma as a bunch of unscrupulous politicians or fundamentally to change the political playing field several months before the date set by the Constitution (a new Duma must be convened not later than four months after the previous one was dissolved, that is, elections must be held three months after the dissolution at the latest; in this particular case this means approximately late September or early October). Presently, thanks to the premier's energetic actions during the Budennovsk developments, the "Russia Is Our Home" bloc may carry out a successful campaign. And who knows what might happen after that.

Rumors that the president would not mind holding Duma elections a bit earlier so as to have more time "to road-test" the new legislature have already circulated in parliamentary lobbies, but have never been confirmed. This time around, if the deputies are unable to change their rules of procedure and ignore the premier's request, these rumors may become reality. Yesterday, Ivan Rybkin admitted that the likelihood of dissolving the Duma is 50 percent. He must have been underestimating it somewhat.

Rybkin Expects Yeltsin To Reshuffle Government

LD2306082995 Moscow Radio Rossii Network in Russian 0800 GMT 23 Jun 95

[FBIS Translated Text] President Boris Yeltsin will reshuffle his government by the end of next week, speaker Ivan Rybkin told a sitting of the State Duma today.

He noted that the president will decide on the changes within the government on 29 June, following the Russian Federation Security Council sitting and that the State Duma would then find it quite appropriate to vote on the issue of confidence in the new Cabinet on 1 July.

Duma Committee To Work With Yeltsin

LD2306102795 Moscow ITAR-TASS in English 1019 GMT 23 Jun 95

[By Ivan Novikov]

[FBIS Transcribed Text] Moscow, June 23 (ITAR-TASS) — The State Duma today set up a house committee for working with President Boris Yeltsin on the composition of the government. The Duma returned a vote of 257 to two in favour of the conciliatory procedure, with none abstaining.

The Duma decision followed its recommendation to the President to sack some of the ministers.

The group will be headed by Ivan Rybkin and it will include the leaders of some of the house committees and deputy groups.

Proposal To Dismiss Government Figures Fails

LD2306094395 Moscow ITAR-TASS World Service in Russian 0907 GMT 23 Jun 95

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[FBIS Translated Text] Moscow, 23 June (ITAR-TASS) — An attempt to include in the agenda the issue of reelection of State Duma Speaker Ivan Rybkin has failed. A proposal to this effect was submitted by Yuriy Kuznetsov, of the Liberal-Democratic faction, and it was supported only by 73 deputies at today's plenary sitting. One hundred and thirty-eight voted against and four abstained.

The Duma also failed to back a proposal put forward by Konstantin Zatulin, a member of the Democratic Party of Russia faction, and Vladimir Semago, of the communists' faction, who insisted on including in the agenda the issue of no-confidence in First Vice Premiers Oleg Soskovets and Anatoliy Chubays and Russian Foreign Minister Andrey Kozyrev. One hundred and seventy-six deputies voted in favour, while 226 votes were necessary to pass the decision.

Deputy Yekaterina Tishkovskaya from the "New Regional Policy" faction proposed to examine the issue of no-confidence in Chief of General Staff Mikhail Kolesnikov, who, according to her, planned military operations in Chechnya but the Duma failed to include it in the agenda.

Outcome of Motion Detailed

LD2306111195 Moscow ITAR-TASS in English 1056 GMT 23 Jun 95

[By Pavel Kuznetsov]

[FBIS Transcribed Text] Moscow, June 23 (ITAR-TASS) — The item recommending President Yeltsin to dismiss first deputy Prime Minister Anatoliy Chubays, first deputy Prime Minister Oleg Soskovets, deputy Prime Minister Sergey Shakhray and Foreign Minister Andrey Kozyrev is not on the agenda of today's plenary meeting of the State Duma.

110 MPs voted in favour of recommendation to dismiss Soskovets, 25 voted against and three abstained.

221 voted for sacking Chubays, 52 were against and one abstained.

As for Shakhray, 217 voted for his sacking with 22 against and six abstentions.

197 MPs were for dismissing Kozyrev, 22 voted against and six abstained.

It was necessary for the Duma to have 226 MPs' votes in favour of their sacking to recommend President Yeltsin and Prime Minister Chernomyrdin to dismiss them.

It was the second vote the Duma has taken on Kozyrev, Soskovets and Chubays on Friday.

Further on Details of Duma Voting

LD2306112595 Moscow ITAR-TASS in English 1105 GMT 23 Jun 95

[By Ivan Novikov]

[FBIS Transcribed Text] Moscow, June 23 (ITAR-TASS) — Russia's State Duma, by a majority vote, declared on Friday for sacking Defence Minister Pavel Grachev, Interior Minister Viktor Yerin and Deputy Premier and Minister for Nationalities and Regional Policy Nikolay Yegorov. The Duma's decision, however, is merely a recommendation, and it is for President Yeltsin to make the final decision.

As many as 284 deputies voted for dismissing Yerin, two were against and there was one abstention. As many as 268 deputies voted for sacking Grachev, while there were eight votes against and two abstentions. 243 deputies voted for Yegorov's dismissal, while five were against and three abstained.

The proposal to recommend to the President to dismiss also Director of the Federal Security Service Sergey Stepashin has not passed. Only 202 deputies voted for that proposal while the required number of votes to pass the decision is over half of the total number of deputies of the 450-seat house.

The question of personnel changes in power-wielding structures is expected to be discussed by a meeting of the Russian Security Council on June 29 when the situation regarding Budennovsk will be analysed.

A group of Dudayev terrorists raided that district centre in the Stavropol territory on June 14 and killed many dozens of peaceful people. President Yeltsin intimated on Thursday that there may be personnel reshuffle in connection with the tragedy in Budennovsk.

Signatures Collected for Yeltsin Impeachment

LD2206135195 Moscow INTERFAX in English 1300 GMT 22 Jun 95

[FBIS Transcribed Text] Moscow, June 22 (INTERFAX) — In the State Duma more than 100 signatures have been collected already under the demand for starting impeachment procedures against President Yeltsin. The Liberal Democrats will make up their mind on whether to join the motion today, Chairman of the Security Committee Viktor Ilukhin, Communist faction, has said in an interview. He does not rule out that the Yabloko faction could support the demand.

Under the Constitution the question of whether to set the impeachment machinery in motion is included in the agenda at the demand of no less than 150 members of the lower house.

About reports in the media that the meeting of the Cabinet behind closed doors on Thursday decided to put to the vote the question of confidence in the government Ilyukhin said that the Prime Minister had no power to do such a thing until the State Duma received an official reply from the President to the vote of no confidence in the Cabinet of June 21.

Only after that the government would become legitimate and have the right to put the vote the motion of confidence.

Under the constitution if the State Duma votes for no confidence in the Cabinet again, the President will have seven days to decide whether to dismiss the government or disband the State Duma and call new elections.

"One cannot but be surprized by the psychosis and panic governmental and presidential structures are fanning over the State Duma's vote of no confidence in the government," Ilukhin said. He believes that President Yeltsin and his associates' statement that he may disband the State duma may push the country towards civil war.

The security committee chief said that the initiators of impeachment procedures were going to accuse the President of the war in Chechnya, the mode of privatization and the armed clamp-down on the Supreme Soviet in October 1993.

Under the Constitution the State Duma cannot be disbanded as of the moment it brings impeachment charges against the President and till the upper house, the Federation Council produces its decision. Another article of the Constitution says that the impeachment charges must be approved by no less than two-thirds of the State Duma's members.

Most Agrarians Support Impeachment

LD2206200095 Moscow INTERFAX in English 1830 GMT 22 Jun 95

[FBIS Transcribed Text] Moscow, June 22 (INTERFAX) — Nearly all members of the Agrarian Party parliamentary group "except those who were not recommended to do it by the faction for political reasons (Deputy Prime Minister Aleksandr Zaveryukha and Agriculture and Food Minister Aleksandr Nazarchuk — IF) have signed the demand that the procedure for impeaching the president begin.

Mikhail Lapshin, Agrarian Party chairman and the leader of the Agrarian group in the State Duma which includes about 50 MPs, said the Agrarians were the first to back the Communists, who had initiated impeaching the president in the State Duma on June 21. Lapshin said that President Yeltsin was responsible for all present evils in Russia more than the cabinet.

Lapshin said the Russian cabinet's decision to submit for consideration by the State Duma the issue of confidence in the cabinet was "capricious and hasty and also grossly violated the procedure for resignation of the cabinet fixed by law." "The prime minister has just not looked through provision 117 of the Constitution which reads that after the first voting in the State Duma the cabinet can continue to fully perform all its functions," Lapshin said.

He said that confidence had been denied to the cabinet not by some rally but by parliamentarians elected by popular vote "who thus gave it an opportunity to radically correct both its domestic and foreign policy." Lapshin said the cabinet "should have studied in detail" all criticism stated by the State Duma "instead of (just) striking a pose."

Duma Fails To Back Motion

LD2306080695 Moscow ITAR-TASS in English 0754 GMT 23 Jun 95

[By Pavel Kuznetsov]

[FBIS Transcribed Text] Moscow, June 23 (ITAR-TASS) - The State Duma failed on Friday to back a communist proposal to consider the issue of launching an impeachement to President Boris Yeltsin.

Communist lawmaker Oleg Mironov, who insisted on the motion, said 150 signatures of the lower house members had been collected to start the impeachment procedure.

However, the Duma failed to get the necessary 226 votes to include the issue in the agenda. 172 lawmakers backed Mironov's proposal, 58 were against and one abstained.

If the impeachment procedure were launched, the President cannot dissolve the lower house which he threatened to do in case the Duma votes no confidence in the government for the second time on July 1.

It is not excluded that the communist faction in the Duma will try to return to the issue again.

Regional Affairs

Peace Talks Continue in Groznyy

Progress Meets With 'Broad Response'

LD2206125095 Moscow ITAR-TASS in English 1115 GMT 22 Jun 95

[By Nikolay Zagnoyko]

[FBIS Transcribed Text] GROZNYY, June 22 (ITAR-TASS) — "The military and political situation in the Chechen Republic has brought about a radical change in the outlook of Dudayev's team," Colonel General Anatoliy Kulikov, commander of the federal army group in Chechnya, told Tass.

The fact that a number of agreements have been reached at talks on a peaceful settlement in Chechnya between the Russian Government delegation and Dudayev's representatives in Groznyy is meeting with a broad response.

At the same time, this is taking place against the background of continuing attacks of illegal armed groups in the highland areas of Chechnya and in the valleys. Communication between some field commanders and the staff of the Dudayev forces was disrupted. They are acting on their own discretion, which is making the peace talks in Groznyy more difficult.

Negotiators Condemn War

LD2206131895 Moscow INTERFAX in English 1213 GMT 22 Jun 95

[FBIS Transcribed Text] MOSCOW, June 22 (INTERFAX) — Negotiators holding talks on settlement of the crisis in Chechnya are certain that there are no issues that cannot be settled at the negotiating table.

The negotiators in Groznyy issued a joint statement on Thursday. It was circulated by the territorial department of federal executive bodies of government in Chechnya.

The negotiators declared their firm intention to prevent inter- ethnic and inter-religious discord. "Neither Russians nor Chechens want war," they said. The negotiators condemned terrorism and any other acts of sabotage and sincerely deplored the attack on the town of Budennovsk in the Stavropol territory.

The negotiators expressed their deep condolences to all families and relatives of the innocent victims of that war.

They called on the people of the North Caucasus to display statesmanship and self-control and preserve peace and calm in the region.

Agreement To Implement Military Accords

LD2206200395 Moscow ITAR-TASS in English 1802 GMT 22 Jun 95

[FBIS Transcribed Text] MOSCOW, June 22 (ITAR-TASS) — A delegation from Moscow and Dudayev officials signed late on Wednesday the minutes of their talks in Groznyy, including provisions for a mechanism of implementing their accords on a set of military questions.

The minutes were signed by all the negotiators and the OSCE [Organization for Security and Cooperation in Europe] officials who attended the negotiations.

The Russian Government Information Directorate forwarded to ITAR-TASS the text of the document. The following contains a detailed account of the document provisions.

"The main directions of the mechanism of implementing the set of military questions.

a) The termination of combat activities is to be ensured by the following steps to be taken by the sides:

— Simultaneous issue of the order to cease fire, signed by the commander of the combined group of Russian troops and the chief of staff of the armed forces of the Chechen Republic;

— the setting up of an ad hoc supervising commission with an authority to control the fulfilment of all accords and agreements on the entire set of military issues. The commission should comprise, on mutual consent, representatives of the warring parties, the National Concord Committee, the elders, the clergy and the Federal executive's territorial administration. Representatives of the Organisation for Security and Cooperation in Europe are invited to participate as observers.

b) Disarmament, gradual withdrawal of troops (in three stages). The first stage will see the disarmament of illegal armed forces, units and other organisations under field commanders. The second phase of disarmament concerns citizens-members of the militia set up to protect villages and other residential centres. In the third phase, separate individuals will be disarmed. Concomitantly with the disarmament, troops will be withdrawn two to four kilometers away from the line of engagement in order to ensure security and prevent unprovoked incidents. Troops will be withdrawn from Chechnya simultaneously with disarmament.

c) Mutual release of forcibly held persons. This provides for the following mutually agreed actions:

— Bilateral exchange of lists of the forcibly held persons, including lists of the people who have gone through the filtration points in Mozdok, Groznyy or other places of detention,

— bilateral exchange of lists of missing people;

— reciprocal release of the forcibly held persons on the basis of the principle "all for all" within one week.

d) Termination of acts of terror and subversion.

"The parties agreed that the number of Russian Interior Ministry troops on the territory of the Chechen Republic should amount to one brigade. The brigade will be assigned to help the law-enforcement agencies maintain public order and ensure safety of individuals.

"It was also agreed that one motor-rifle brigade of the armed forces would be needed.

"The parties agreed that upon the signing of the documents and the agreement on the peaceful settlement of the crisis in the Chechen republic, the leadership of the Russian Federation will provide guarantees of the non-use of military force for the settlement of political disputes.

"At the outset of the talks, the delegation from the Russian Federation made a statement demanding open condemnation of the act of terrorism in Budennovsk, and the handing over, within three days, of the group of rebels with Shamil Basayev at the head to the law-enforcement agencies of the Stavropol territory. The Russian delegation asked the Chechen officials to think its demand over and respond before the end of the talks.

"Before the working day was out, the delegation from the Chechen Republic responded with a statement condemning any acts of terror.

"To ensure the successful outcome of the talks on the peaceful settlement of the situation in the Chechen Republic, the Chechen delegation pledged to assist the Russians in locating and detaining Shamil Basayev and his group accused of committing an act of terror in Budennovsk".

Semenov Denies Breakthrough

MM2206123995 Moscow KRASNAYA ZVEZDA in Russian 22 Jun 95 p 1

[Report by special correspondent Aleksandr Andryushkov: "At the Negotiating Table: Chechnya Settlement Process Begins, but Results Modest So Far"]

[FBIS Translated Text] Groznyy — Nikolay Semenov, head of the territorial directorate of federal executive organs in Chechnya, gave KRASNAYA ZVEZDA an interview regarding the results of the second day of talks.

[Semenov] Some mass media have rushed to say that concrete decisions have already been adopted. That is not true. Let me emphasize that so far we are only discussing a number of issues, which can be divided into several groups. They are both military and political in nature.

The military questions concern the cessation of combat operations. The problem of disarmament is singled out. It is closely tied up with matters pertaining to the troops' stage-by- stage withdrawal. I mean that the troop withdrawal will be directly dependent on the progress made with disarmament by the illegal armed formations.

Questions of combating terrorism and sabotage and the release of prisoners were highlighted separately. When the set of military questions are resolved the conditions will be created to resolve the set of political issues. This implies the creation of the conditions for free elections in the republic. A series of problems are arising which we will discuss further at the talks. I do not want to detail them right now. Then we will formulate and adopt a statute on elections. This is a very fundamental issue. To wit, the principle on which the elections will be held and the provisions on which they will be based. The point is that the statute on elections must correspond to the situation in the Russian Federation. The question of holding the elections themselves is being examined with observers in the broadest sense of the term. As is now becoming the practice in our country.

The set of political problems that have been put to the talks include the election of organs of authority in the Chechen Republic, including the supreme authority — the parliament. The protocol records the fundamental question of resolving all problems solely by peaceful, political means and eschewing vengeance and the kindling of ethnic and interethnic enmity.

This is not the first time that I have held talks, and in my view there is positive movement at the current talks. The Dudayev delegation appears to understand that the military conflict can be resolved successfully not by military forces but peacefully, Nikolay Semenov told me. [Semenov ends]

Aslan Maskhadov and Shamil Basayev's cousin Shirvani Basayev were involved in the talks. However, the members of Dudayev's entourage who came to the talks with Usman Imayev said that Basayev's actions were carefully planned. There were several options for capturing various population centers on Russian territory. There are reports that Basayev's group included mercenaries and terrorist instructors trained in Pakistan.

At the Last Minute

We were told by the Russian Federation Defense Ministry Information and Press Directorate that the men of the combined group of federal forces have not conducted active combat operations but have regrouped their forces and systems and continued performing their mission in areas occupied previously.

The act of terrorism in Budennovsk marked the beginning of large- scale sabotage activity by Dudayev's men against the troops. Violations of the truce adopted through 23 June are continuing. Cases of Russian units' and subunits' fortified positions and bases coming under fire with a view to provoking retaliatory fire against population centers have become increasingly frequent. Over the last 24 hours there have been six attacks on territory controlled by the federal troops and, moreover, four attacks on marines' positions. Our troops' fortified positions and bases have frequently come under fire from small arms and hand-held grenade launchers. Troops under attack were forced to open retaliatory fire. Groups of armed guerrillas have been seen near the population centers of Kirov-Yurt, Chechen-Aul, and Agashty.

No Political Accords Reached

LD2206201195 Moscow ITAR-TASS in English 1952 GMT 22 Jun 95

[By Sharip Asuyev]

[FBIS Transcribed Text] GROZNYY June 22 (ITAR-TASS) — No political agreements have been reached so far in the talks which are in progress in the Groznyy mission of the OSCE [Organization for Security and Cooperation in Europe] since June 19, but the dialogue will be continued on Friday.

Late on Wednesday, the Russian and Chechen delegations signed a protocol on the framework for fulfilment of the military agreement they achieved.

The protocol was signed by all delegation members in the presence of OSCE representatives.

The sides restricted themselves to consultations today.

The talks centered on the date of Chechnya's local self-rule and parliamentary elections. The stumbling-rock was obviously the person of Dzhokhar Dudayev and Chechnya's status in Russia.

Vyacheslav Mikhaylov, first deputy minister for nationalities and leader of the Russian delegation to the talks, said "Dzhokhar Dydayev is on a wanted list, and may not take part in the elections".

Chechnya's former prosecutor-general Usman Imayev harshly opposed that approach.

Imayev and Aslan Maskhadov, head of Chechen military chief staff, left the talks for a break but were not seen in Groznyy today.

According to the Chechen side, they went to Dudayev for consultations.

Chechen Interior Ministry 'Taking Measures' To Find Basayev

LD2206201895 Moscow INTERFAX in English 1830 GMT 22 Jun 95

[FBIS Transcribed Text] GROZNYY, June 22 (INTERFAX) - The Chechen Interior Ministry is already taking measures to find field commander Shamil Basayev, said Khamid Inalov, the first deputy interior minister in the government of Salambek Khadzhiyev.

When asked about possible cooperation with Dudayev supporters for revealing Basayev, he told INTERFAX that if Dudayev supporters had intended to contribute to finding Basayev they would have brought him with them to the talks in Groznyy.

Shamil Basayev led the gunmen's raid and hostage-taking in Budennovsk.

The delegation of Dzhokhar Dudayev supporters said at the talks with the Russian government's representatives in Groznyy that Dudayev supporters would help Russia to find and detain Dudayev.

In regards to such a statement Inalov said that Dudayev representatives "wield no real power and should not have thrown such promises into the wind."

Dudayev Subordinates Split on Aiding Basayev Extradition

LD2306101295 Moscow Radio Rossii Network in Russian 0900 GMT 23 Jun 95

[FBIS Translated Text] There were no active combat actions in Chechnya over the past 24 hours. A RIA-Novosti correspondent was informed at the information and press directorate of the Russian Federation Defense Ministry that the sides are observing the moratorium. According to information to hand, disagreements in Dudayev's leadership have become more acute in connection with the Chechen delegation's statement at the talks in Groznyy on denouncing the terrorist act in Budennovsk and on its readiness to assist in capturing Shamil Basayev.

Pacific Marines Withdrawn From Chechnya

LD2306054195 Moscow ITAR-TASS in English 0530 GMT 23 Jun 95

[By Yuriy Grachev]

[FBIS Transcribed Text] VLADIVOSTOK June 23 (ITAR-TASS) — A battalion of Pacific fleet marines will be withdrawn from Chechnya completely next week and on Friday they handed over their positions to the Interior troops.

The press service of the fleet told Tass that the marines will load their weapons and equipment on trains on Sunday and will be airlifted themselves back to Vladivostok on Monday and Tuesday.

Cease-Fire in Chechnya Observed Despite 'Provocations'

LD2306095495 Moscow ITAR-TASS in English 0927 GMT 23 Jun 95

[FBIS Transcribed Text] MOSCOW June 23 (ITAR-TASS) — Over the past 24 hours, there have been no substantial changes in the position and nature of actions of Federal forces and unlawful armed formations. The sides do not conduct active combat operations. The terms of the moratorium are being observed, a spokesman at the Russian Defence Ministry's Directorate for Information and the Press, told ITAR-TASS on Friday.

According to the source, Federal forces are regrouping. Approaches to troops' locations are being fortified to prevent sudden attacks by militants. Russian combat engineer units are clearing mines from a Zona-Shatoy power transmission line as well as oil fields in the area of Oktyabrskiy.

In view of the statement by the leadership of the Chechen delegation at the talks in Groznyy about their condemnation of the hostage-taking in Budennovsk, the situation in the militants' camp has become aggravated, according to information available with the Command of the Combined Group of Federal Forces in Chechnya (CGFFC).

A regular round of the talks on a peaceful settlement of the Chechnya crisis began in an atmosphere of unceasing armed provocations on the part of Dudayev militants, ITAR-TASS correspondent Nikolay Zagnoyko reported from Groznyy on Friday.

The Interior Ministry troops remain on high alert. Illuminating flares were fired throughout the night, and the sounds of submachine-gun fire could be heard. Attempts to attack units of Russian troops were made in the mountainous areas of Chechnya.

According to a report by a spokesman for the CGFFC Press Service, personnel at checkpoints have been instructed to return the fire only in an emergency to prevent bandit attacks by unlawful armed formations.

Chechens Extend Combat Moratorium

LD2306102995 Moscow ITAR-TASS World Service in Russian 1009 GMT 23 Jun 95

[By ITAR-TASS correspondent Oleg Velichko]

[FBIS Translated Text] Groznyy, 23 Jun — Former Chechen Prosecutor-General Usman Imayev, the leader of the delegation of Dudayev's supporters at the talks in Groznyy on a peaceful settlement of the Chechen crisis, stated today that "the Chechen side has issued instructions to extend the moratorium on combat activities until a special order is issued."

Usman Imayev said that "the moratorium will be observed by the Chechen side despite possible provocations from the opposite side."

Novosibirsk Oblast Draft Election Law 'Step Toward Democracy'

954F2590A Novosibirsk VECHERNIY NOVOSIBIRSK in Russian 19 Jun 95 p 1

[Unattributed report: "Governor Ivan Indinok Takes a Step Toward Democracy"]

[FBIS Translated Text] Ivan Indinok sent for the consideration of the Council of Deputies a draft of the oblast law "On Elections of the Head of the Novosibirsk Oblast Administration."

This step may be considered democratic, since to this day heads of the absolute majority of Russian oblasts are appointed by the president rather than elected.

If the Council of Deputies approves the draft, our oblast will be among the few where the gubernatorial post will be held by a person, whom the majority of the population trusts.

The draft law sets the age requirements for the voters and the candidates for the post of the administration head, and enumerates conditions that have to be met for the elections to be valid.

Interestingly, to be nominated, the candidate must collect at least 20,000 signatures.

In his message, Ivan Indinok asked the deputies to make consideration of this law a priority.

Economic Issues

Official Comments on Unemployment Issues

LD2206154595 Moscow ITAR-TASS in English 1527 GMT 22 Jun 95

[By Lilia Kuznetsova]

[FBIS Transcribed Text] Moscow, June 22 (ITAR-TASS) — Almost 20 percent of the Russian working population will be jobless by the end of 1995, if no drastic changes are made in the approach to the country's employment problem, chairwoman of the the President's council for social policy Lyubov Khrapylina told a scientific session on Thursday.

She recalled that according to the latest data released by the Russian Statistics Committee, the number of unemployed in Russia by early June had reached

5.7 million. "Those figures do not reflect the actual situation," Khrapylina said. With the so-called "hidden unemployment," the actual number of jobless amounts to between 13 and 17 percent of the economically active Russians, she said.

The main problem is that mass unemployment triggers mass impoverishment, which is confirmed by official statistics, Khrapylina said.

In 1994, the average individual real monetary income in the country rose by an almost 19 percent. However, the rise was mainly due to the growth of well-being among the Russian business people who make up 5 to 6 percent of the country's population, Khrapylina said.

The situation has generally worsened for most people. From January to May 1995, more than 30 percent of the Russian citizens lived below subsistence level, she stressed.

Participants in the session arrived at a conclusion that a complete change is needed in ways of tackling the employment problem. Top priority should be placed on the problem in making decision on Russia's social and economic policy, they said.

Experts hold that it is essential to create conditions for a high, stable and effective level of employment during the transitional period.

The interests of the employment policy must be given due consideration in administrative decision making in the fields of investment, taxes and finances, they insist.

Those present at the session also spoke in favour of giving an enhanced role to the key economic ministries and departments, such as the Economy Ministry, the Finance Ministry and the State Property Managing Committee, in regulating employment.

They also proposed paying special attention to the development of regional employment programmes aiming to invigorate small businesses, seek a solution to the employment problem in small towns, create more jobs for women, young people and disabled persons, reform the mechanism of social protection of those who are employed in jobs at insolvent or nearly insolvent enterprises, as well as enterprises in the military-industrial and agro-indistrial complexes.

Experts also pointed to the necessity for the Federal Employment Fund to increase allocations to regions from 20 percent to 30 percent of its resources to avert further growth of unemployment.

Ruble Rate Said 'Simply Returning to Normal'

MM2206092395 Moscow IZVESTIYA in Russian 21 Jun 95 p 2

[Report by Ivan Zhagel: "Dollar in Russia: Central Bank Is Not Citizens' Adviser"]

[FBIS Translated Text] The latest misfortune to befall Russians — the falling dollar — is really worrying the Central Bank of Russia [CBR] now. Last Monday the CBR even organized a conference attended by representatives of the presidential apparatus, the Finance Ministry, the State Duma, the Federation Council, the exchange market, and commercial banks, which effectively examined one fundamental issue: What should be done about the dollar?

Interestingly, none of those present accused the CBR of any slip-ups or miscalculations that might have affected the situation on the money market. It is now quite hard to level complaints at the CBR. As Acting CBR Chairman Tatyana Paramonova said, all the bank's actions in the sphere of monetary policy were not only coordinated with the government but also conformed with the economic stabilization programs that Russia sent to international financial organizations.

One of these programs' most important provisions was the refusal to cover the budget deficit by increasing the money supply and also to provide soft loans for agriculture and spend money on shipping goods to areas of the Far North. If you discount the loan of 3.475 trillion rubles [R], which the CBR gave the government in the first quarter of the year, it is carrying out the financial stabilization program in full.

So what did nonetheless influence the dramatic fall in the dollar rate of exchange in our country? Most specialists agreed with Oleg Vyugin, chief of the Finance Ministry's Macroeconomic Policy Department, who believes that the Russian economy entered 1995 atop a wave of dollarization generated by "Black Tuesday" and previous miscalculations in monetary policy. The dollar exchange rate was therefore inflated, and it is now simply returning to normal. It would be harmful for the economy to maintain it artificially.

Deputy Economy Minister Sergey Ignatyev explained why it would be harmful to support the dollar. Studies conducted by the ministry show that prices of Russian commodities are still 30-50 percent of the level of world prices owing to the inflated dollar rate or the understated ruble rate of exchange. But they are rising to world levels. And if the dollar is increased in line with inflation, there will be no end to spiraling prices. An artificial increase in the dollar rate of exchange will only whip up inflation.

Ignatyev did admittedly agree that exporters can only suffer and are already suffering from a drop in the dollar rate, but today oil and gas make up the bulk of Russia's exports and it is nonetheless more profitable to ship them abroad, despite the weakening of the dollar's positions, than to send them to the domestic market. On the other hand a strengthening of the ruble will result in the effective import of cash — which we are seeing now and which is being hidden in "socks" — giving way to imports of real commodities. And this will increase the level of consumption in the country and halt the price rise.

Strangely enough the optimism generated among the specialists by the prospects of a strengthening ruble was slightly dampened by Moscow Currency Exchange adviser Aleksey Mamontov. He said that the social aspect of a decline in the dollar rate of exchange is being ignored because Russians do, after all, keep sizable amounts of hard currency. Research shows that right now they are not selling this currency (although they are not buying any more).

But if the dollar continues to fall, the population will succumb to speculation and then the money market will collapse again. Incidentally exporters, who are obliged to sell at least 50 percent of their currency revenue on the market, are now dumping between 80 and 100 percent. Ordinary citizens may start doing the same. However, if there is speculation, banks may reduce their dollar buying rate by R1,000-2,000 just as they inflated it on "Black Tuesday." And that will increase social tension.

Nonetheless, A. Mamontov said, the CBR must lay down some optimum figures for the dollar rate of exchange today which will not bring about the downfall of exporters, among others.

The speech made by Promstroybank Chairman Yakov Dubenetskiy was also sobering. Although everyone is talking about stabilization, there are no signs of that in production, he said. The government reckons that investment will come once inflation has been overcome, but that is only a plan at the moment....

Tatyana Paramonova did, however, remark that the strengthening of the ruble rate of exchange and a drop in inflation will create the preconditions for investment. Around 16 trillion in spare funds are now in bank accounts, and enterprises can borrow this money at low rates of interest.

Participants in the conference concluded that it is inadvisable to support the dollar rate of exchange artificially but that it should not be allowed to plummet either. The view was expressed that the Finance Ministry should issue state securities as soon as possible for ordinary citizens, which would reliably protect the population's savings.

Experts Urge Fixed Exchange Rate, Liberalization

MK2206095095 Moscow SEGODNYA in Russian 22 Jun 95 p 3

[Report by Elmar Murtazayev under the "Forecast" rubric: "Illarionov Doubts That Financial Stabilization in Russia Is for Real. In View of His Institute's Experts, Summer Months Will Be Critical"]

[FBIS Translated Text] By the beginning of summer 1995, the process of carrying out the program of financial stabilization has entered a critical phase, and success can be achieved only by dramatically stepping up economic reform during the summer months, Andrey Illarionov, director of the Economic Analysis Institute, said at a news conference at the Russian-American Information Center yesterday.

Citing the study "Financial Stabilization in Russia," which has been conducted by his institute, Illarionov said that there are several reasons why the objectivity of government statements about successes of financial stabilization raises doubts. First, the government has been unable considerably to lower the budget deficit: In the first quarter of 1995 it was 3.6 percent of GDP (no country with an economy in transition has ever had a deficit exceeding 1 percent at the moment of reaching financial stabilization). Moreover, according to Illarionov's data, the budget policy slackened in May. During the first five months the budget deficit grew to 4 percent of GDP. Federal budget revenue in January-May was 12.5 of GDP (against 9.9 in January-May 1994) — and expenditures, 17.1 percent (against 19.2 in January-May 1994); in Illarionov's view, the Chechen military campaign is largely responsible for the increase in budget expenditures.

Second, by the institute chief's estimate, the budget deficit is still being paid off from inflationary sources. Despite repeated statements to the effect that budget deficit financing has nothing to do with the creation of money and credits, the Central Bank is financing a considerable part of the deficit (3 percent) by issuing money and buying government securities on the secondary market, while the Finance Ministry is resorting to an extra issue of short-term bonds for this purpose. What Illarionov includes among deficit financing methods unrelated to the creation of money and credits is solely the purchase of government securities by commercial banks, which accounted for just 0.5 percent of GDP in the first quarter of 1995. In May, institute experts registered a softening in monetary policy. Although the Central Bank slashed credits to finance the budget deficit (1.3 percent), the Central Bank's assets used to replenish currency reserves grew to 3.1 percent of GDP in the first quarter and to 7.4 percent in May. Owing to that, the average monthly growth in the money supply reached 8.9 percent in February-May. High inflationary expectations that have caused high inflation rates are still there.

Third, Illarionov thinks, the declared economic liberalization has yet to begin. For instance, the level of prices for energy resources in the dollar equivalent over the first three months remained nearly unchanged and even dropped 5 percent compared to April 1994. Budget revenues from the taxation of energy resources remain extremely low, which gives Illarionov grounds to doubt that these budget targets can be reached.

With regard to the policy of raising the ruble's exchange rate pursued by the Central Bank, Illarionov said that, according to calculations by the authors of the report, at present the ruble's parity exchange rate is approximately 2,300-2,400 rubles per 1 U.S. dollar. Given the population's inflationary expectations, he estimated the threshold value of the dollar's slide at 4,200-4,300 rubles. In the opinion of the institute director, the Central Bank's policy has already yielded some results: The population's preference for keeping their savings in hard currency has declined 2.4-fold (down to 9.7 percent of all savings compared to 23.1 percent in January). The increasing "antipathy" for hard currency has not been compensated for by a propensity for saving rubles — they increased by just 20 percent. As a result, Illarionov estimates that the overall savings rate declined 1.7-fold. The conversion of dollar savings into rubles has brought about an increase in "hot money" from 2 percent of cash incomes in 1994 to 6- 7 percent in April-May 1995. The population channeled their ruble overhang to the consumer market, thus causing an unprecedented 15-percent rise in trade volume in May. However, Illarionov thinks, this buying spree is "quite unhealthy in nature" and "partly artificial." As a consequence of the May shopping binge, the stock of goods has shrunk drastically (from 88.6 percent of the retail trade volume in March to 73.7 percent in May). The institute director noted that such a process usually precedes an acceleration in the inflation rate.

In the view of Mikhail Dmitriyev, deputy director of the Economic Analysis Institute, "it is quite likely that Russian financial stabilization will not take place at all." He termed ignoring the population's inflationary expectations as the government's main mistake. As a result, even the modest issuance of money does not increase investment or savings, but creates an "inflationary overhang threatening the economy." Dmitriyev believes that by the end of the summer the dollar will start climbing once again and the Central Bank will find it very hard to restrain the rising tide of inflationary money. "Even if the Central Bank stops the dollar's rise, this would be a Pyhrric victory: Its remaining currency reserves will not be enough to last for the next few months," he added. For his part, Illarionov forecasts a 10-percent budget deficit by year's end and a monthly inflation rate of 5-8 percent, which will mean "a failure of yet another attempt at financial stabilization." If fundamental changes in the situation are to be made, the authors of the report suggest that the government should introduce a fixed rate at a level of 5,200-5,300 rubles per dollar (although Dmitriyev said that the most propitious moment for so doing has already been missed). In addition, the Central Bank should be prohibited by law from giving credits to the government, the 1996 budget should be drawn up with a zero deficit, and a "genuine" liberalization of the fuel and energy sector and foreign trade should be carried out. If this does not happen, the next financial stabilization program "will be passed by a new government," Dmitriyev said.

Yeltsin's Budget Seeks Funding for Stabilization

MK2306080095 Moscow KOMMERSANT-DAILY in Russian 23 Jun 95 p 1

[Report by the KOMMERSANT-DAILY Economic Policy Department under the "Commentary" rubric]

[FBIS Translated Text] Whereas the submission of a president's budget message to parliament is, in general, a common practice all over the world, its submission by the president to his own government has indisputably become Russian know-how [preceding word in English]. The essence of this new phenomenon was explained to the public by Aleksandr Livshits, an aide to the president on economic issues, who called the presidential message "the president's technical assignment for the government on the 1996 budget." From an economic policy viewpoint, such relations between the head of state and the federal government fully complies with the actual situation that has developed after 1993; that is, it is the president who determines the country's economic course. The government plays the role of unconditional executor. As for submitting the finalized draft budget for 1996 to the legislature, the government will have to do this as early as in July. True, it remains unclear yet who will be considering this draft if the State Duma is dissolved by Boris Yeltsin.

The concept of the 1996 budget, as presented yesterday by the president, is fundamentally a continuation of the budget for this year. The budget's ideology is to confirm that the course toward financial stabilization — in monetary terms — and promotion of investments will be further maintained. As the president said, it is expected that in 1996 financial stabilization will be largely attained. In broader terms, the proposed rigid concept for the budget confirms the earlier repeatedly stated intentions of the authorities to attain stabilization of the economy if not this year, then next. The message is very specific about one of the future budget's parameters — its deficit in 1996 must not exceed 4 percent of the GDP. As one may guess, the deficit will be offset using non-inflationary means (predominantly at the expense of the sale of state securities). The inflation rate envisioned in the draft budget is 2 percent a month. As for spending items, main attention will be focused on the social sphere, enhancing — on the president's demand — state support for education, health care, culture, and science. At the same time, however, the budget also promises a sure profit for power structures, as the president — quite unambiguously — has tasked the government with increasing the financing of law-enforcement bodies and the Defense Ministry.

The ideology of the budget's expense items has already been repeatedly voiced earlier, both at government meetings and Finance Ministry Collegium sessions. The main task for 1996 is to improve tax collection and to raise revenues by using state property. "If in one day the state has not made a profit from its own property, that day should be regarded a waste," the president said in the habitual Soviet style. There is nothing new in the promise "to learn how to live within one's means." In the tax policy area, the budget's task is to adjust the tax structure by moderating the share of corporate taxes and emphasizing the role of the tax on people's incomes, as well as charges on resources used and the tax on enterprises' property. In fact, this tax policy concept had already been mentioned when the 1995 budget was discussed, but its implementation was confronted with difficulties caused by active involvement of the State Duma in the budget process. It cannot be ruled out that this year there will be no such inevitable obstacles at all.

Finance Minister Discusses Budget, 'Dollar Loan'

MK2306050095 Moscow SEGODNYA in Russian 22 Jun 95 p 5

[Interview with Finance Minister Vladimir Panskov by Aleksey Putintsev; place and date not given: "Vladimir Panskov: The Budget Will Remain Stable in Spite of All Difficulties"]

[FBIS Translated Excerpt] [Putintsev] The war in Chechnya, according to some estimates, has already "eaten" more than 3 trillion rubles [R] from the budget. The tragedy in Sakhalin has also called for emergency billions. Won't the budget collapse if another unexpected upheaval occurs?

[Panskov] The whole question concerns what funds are needed for purposes not envisioned in the budget. If contingency expenditures reach 10-15 percent of the budget, it will indeed be a very serious problem. As for those figures that you have cited (incidentally, they are somewhat exaggerated), the budget can handle it. To be sure, the budget is affected, and some difficulties do arise. We are forced today to cut the financing of some programs envisioned in the budget, but on the whole, the budget will not collapse. Moreover, we shall not allow this financing to lead to an increase in the deficit. The deficit will stay the same. This means that the budget will also remain stable, no matter what. [passage omitted]

[Putintsev] How realistic is the sum of more than R30 trillion that will come from the sale of state securities?

[Panskov] Quite realistic. We have drawn up a schedule for the receipt of funds from the placement of T-bills, federal loan bonds, and other securities. At present, we are keeping pace with it. Actually, we are even doing a little better. The budget has received more than R10 trillion in revenue from placing T-bills. Recently, a successful federal bond auction was held. We placed as much as we wanted to.

Furthermore, we are actively working on a new project; that is, in July we shall offer loans to the people and open investment accounts. We shall offer some very good terms, hoping to attract money from private individuals. At the same time, we shall issue paper loans for the population — also on very good, preferential terms.

[Putintsev] Recently, a deputy economy minister criticized the Finance Ministry because, to date, we have no paper money for the people having the properties of the dollar; that is, it would be highly liquid and, at the same time, perform the function of saving.

[Panskov] Yes, the Economy Ministry has long been toying with the idea of the so-called dollar loan. Today, we are working together to ensure its delivery. There are both some advantages and some difficulties involved here. The Economy Ministry pins much hope on this loan but I would say that there are many undercurrents here, It is virtually impossible to implement it within the context of a falling dollar. [passage omitted]

[Putintsev] Even so the federal budget, too, is not fulfilling all its obligations completely. Say, in the defense industry, which in the first quarter was financed only by 41 percent of what was planned....

[Panskov] Yes, there is a problem here which we are not fully addressing; for instance, we remit the entire 100 percent of funds envisioned in the budget for the operating expenses of the Army itself. This was the case both in the first quarter and now. These are money allowances, the salaries of volunteer servicemen, food, etc. We provide the entire 100 percent. As for R&D projects and payment for the defense order, the situation is not very good here. First, we had to offset the debt for 1994; in fact, we have just completed this. Regarding financing current needs, the situation is even worse — no question. Therefore, the Defense Ministry cannot make settlements with enterprises on the current defense order; also, wages are in arrears. We are now trying to tackle these problems but, frankly speaking, they do not lend themselves to easy resolution. [passage omitted]

[Putintsev] In early June, the World Bank's Board of Directors decided to extend to Russia a rehabilitation credit of $600 million. How are you going to use it?

[Panskov] This credit will be used mainly to cover our foreign debt. We shall not even convert it into rubles but will directly repay debts inherited from the former USSR, and there are also current Russian debts. [passage omitted]

[Putintsev] The rally of the ruble is proceeding against the backdrop of growing inflation. How stable is this trend, in your opinion?

[Panskov] There is a certain logic in the fall of the dollar. The moderately tough monetary policy has finally begun to pay off. Furthermore, the economy has slowly been stabilizing. Although we are far from euphoric, of course, one cannot fail to notice the positive shifts that have occurred. Judge for yourself: The budget and the forecast for 1995 were based on a 12-14 percent decline in production. Now, as you can see, there was even a plus in May. I do not think, however, that this plus will be further augmented: Seasonal factors will play a role. At least the decline is sharply slowing down, which also has an impact on the course. As to inflation, unfortunately, it is falling very slowly.

[Putintsev] The government pegged May inflation at 4 percent, but in fact, it was double that level....

[Panskov] A vicious circle has emerged here. In order to keep the dollar from collapsing, the Central Bank is building up currency reserves, but it does so by issuing inflationary money. In helping the dollar stay afloat, the bank has to do this. Therefore, the actual level of inflation is higher than predicted. [passage omitted]

[Putintsev] To what extent is the situation affected by seasonal factors?

[Panskov] Today is it producing a "Black Tuesday" in reverse. The dollar could collapse and for this reason we must support it. The situation should, however, stabilize. I do not think that the dollar will continue to fall until the end of the year.

[Putintsev] So, changes should be expected, as usual?

[Panskov] There will be changes but not revolutionary ones. Maybe in August the dollar will start slowly to rise, but this process will not be explosive. You know what tactical mistake we made last year? The Finance Ministry was holding back on all expenditures early in the year while making massive budget interventions to a substantial extent at the expense of bank credits; that is, through an emission source. This, of course, could not fail to affect the situation. All this built up and huge infusions were made in August-October. That only aggravated the position of the ruble.

[Putintsev] How can election problems have an impact on Russia's financial situation?

[Panskov] I will do everything in my power to make sure that elections struggles do not affect the state of the budget.

[Putintsev] Not everything can depend on you. Say, the president sets out on a pork-barrel election trip....

[Panskov] Our president has been making regular trips but the budget has not suffered from this. I do not think that anything will change in the future. Incidentally, the president is soon planning to go to Mariy-El. Naturally, there will be some problems there, and we shall address them, and some pledges will be made. The president, however, never gives impromptu promises. I saw that myself when I traveled with him. He issues directives, and we, figures in hand, analyze and decide. Actually, there will be pressure but I shall try to withstand it. Therefore, I am not joining any party. Neither do I have one of my own.

Duma Seeks Compromise After Yeltsin Trade Veto

MK2306102095 Moscow KOMMERSANT-DAILY in Russian 23 Jun 95 p 3

[Report by Vadim Bardin: "Draft Law on Foreign Trade. Veto as Landmark in Lobbying"]

[FBIS Translated Text] Despite another crisis in relations between the legislative and executive branches in Russia, the formation of economic legislation is proceeding normally. The president's veto of the draft law "On State Regulation of Foreign Trade Activity" was standard practice, even before the crisis. Yesterday's session of the Duma economic policy committee was devoted to preparing a conciliation procedure that, unless the life of the current Duma is not shortened, will satisfy both sides.

The president's veto was not sensational — KOMMERSANT-DAILY foresaw this back on 13 May. Still, the deputies attending the session of the economic policy committee were struck by the president's brevity. His rejection is spelled out in four lines; no specific motives were given. KOMMERSANT-DAILY correspondents, however, managed to see beyond the surface activity.

The veto is primarily connected with two provisions in the draft law. The first and most important is contained in Article 16: "Export control of arms and military equipment is determined by lists and inventories under federal laws." Following the American model, the developers' intention was to provide for parliamentary control over arms exports. This is based on providing the manufacturers (state-run enterprises) with credits from the budget for specified export orders. Control over the use of credits would make it possible to exercise real control over exports. At the moment, according to deputies' findings, the official 1994 arms export figures differ by factors of five to seven from those circulated by "Rosvooruzheniye" [Russian arms-trading company].

The alternative stance, reflecting the interests of the arms exporters who are now well-versed in the rather confusing and, for this reason, very welcome rules of the game, is spelled out in a letter to the president by First Deputy Prime Minister Oleg Soskovets. In it, the author insists on preserving the current system of arms control regulation by presidential edicts.

The author of the second objection is Deputy Prime Minister Oleg Davydov, who proved more modest than the first deputy prime minister — his remarks are not addressed directly to the president but rather to the president's first aide, Viktor Ilyushin. Davydov upholds continued administrative control by the Ministry of Foreign Economic Relations [MFER] over the exporters of raw materials (despite the fact that, under the law on customs tariffs, the State Customs Committee has similar powers that include the right to determine independently the size of customs duties). He asks not to proscribe the MFER-devised substitute for export licenses — the registration of contracts on export of strategic-list commodities. Article 13 prohibits all measures restricting foreign economic activity unless they are mentioned in the law, including the "registration of export-import deals between Russian and foreign entities."

It is clear where the opponents of the current wording of the law stand, the sword of Damocles regarding the possible parliament dissolution naturally does not evoke a rise in the deputies' fighting spirit. Although the Duma does not give up hope of ending the fight with the president in a draw, the most likely outcome of the conciliation procedure is the passing of the law at least at the cost of concessions to the demands of the presidential side.

Davydov Discusses Debt Situation With Paris Club

MM2206100195 Moscow ROSSIYSKAYA GAZETA First Edition in Russian 21 Jun 95 p 1

[Interview with Oleg Davydov, deputy prime minister and minister of foreign economic relations, by special correspondent Nikolay Paklin in Paris; date not given: "Who Owes Whom How Much. Russia's Credit Rating"]

[FBIS Translated Text] Paris — It proved simpler to meet with Oleg Dmitriyevich in Paris than in Moscow. This is understandable, for he is entrusted with holding talks on our debts with foreign creditors — which is why he is constantly on his travels. He flew into the French capital for talks with the Paris Club, having just visited Finland and Belgium.

"Our largest debts are to the countries represented in the Paris Club — $36 billion," Oleg Davydov said. "This is our state debt. We owe $26 billion to the London Club, which unites approximately 600 private banks. We also owe the former socialist countries and a number of states not represented in the Paris Club, as well as those suppliers whose commodities we have received in the past but not paid for."

[Paklin] How much do we owe in all?

[Davydov] Our total debt amounts at present to $130 billion.

[Paklin] But it is claimed that we are owed still more....

[Davydov] That is what is claimed, only it is not quite so. We really are owed 90 billion rubles [R] for deliveries of our equipment and military hardware. Why precisely rubles? Because in former years we valued our deliveries in foreign exchange rubles. We converted that debt at the USSR Gosbank's [State Bank's] rate during those years, namely R0.67 to the dollar. The outcome was $148 billion. But our debtors disagree with that conversion. Many countries — above all, those with low solvency — have no intention of repaying their debts to us. This money is considered to have been virtually lost.

India is a pleasant exception. We have conducted lengthy negotiations with it on the rate at which to convert our Soviet foreign exchange rubles into today's

U.S. dollars. The Russian president cut the Gordian knot when he visited Delhi in January 1993. A compromise solution was found in the course of top-level talks, and since then India has been regularly repaying its debt to us.

[Paklin] What is Russia seeking from its creditors?

[Davydov] Above all, the deferment of payments. We would like to pay as much as we can pay without detriment to our economy. The sum total of payments relating to credits in 1995 is fixed in the Russian state budget. It is $4.6 billion. We will repay this debt. [Davydov ends]

According to my interlocutor, the talks with the Paris Club were not easy. Having heard of some successes for the Russian economy this year, our creditors insisted on our debt's repayment according to the classic scheme, i.e., in full. They had gotten the impression that we had already almost emerged from the crisis. We had to explain the actual state of affairs. They seemed to understand us.

Indeed, right after our delegation left the French capital, the 17 countries of the Paris Club adopted the decision to defer for many years the collection from Russia of approximately $8 billion, which we would otherwise have had to pay this year.

Following the example of the countries owed money by Argentina, which "extended" its debt in 1956, the concept of "restructuring debts," i.e., revising the time scale and procedure for repaying debts, firmly entered international currency relations. This in fact marked the start of the Paris Club.

But the countries represented in the club realize Russia's significance to the world economy. This is why the sides agreed to hold talks this fall on Russia's entire debt to the countries of the Paris Club. "We are reckoning on completing the talks on global debt restructuring with both the Paris and the London Clubs before the end of 1995," Oleg Davydov said. "Their favorable outcome will enhance Russia's credit rating. This will mean that the financial world will trust us more, having faith in our solvency."

[Paklin] Trust in a country also means an influx of capital investments. People had faith in China, for example, and tens of billions of dollars flowed there from abroad. What is the volume of foreign capital investments in our country?

[Davydov] Just $2.5 billion. Some 40 percent of all foreign investments come from the United States. The Americans have invested money in technically complex, science-intensive projects: aircraft building, space, and others. Why does foreign capital not come to us? Above all, because we have not yet adopted a law on the division of output. We have not devised it. Such a law exists in all countries, including China. If the Duma adopts this law, foreign capital investments will leap to $40-50 billion. This money will go primarily to develop the regions.

We also make some investments abroad. For example, Gazprom is investing big money in the construction of a gas pipeline in Germany. But there are few such examples. The flight of capital from Russia is continuing at present. All sorts of players in the shadow economy are buying up houses in London and hotels on France's Cote d'Azur. Incidentally, the British and French police have taken an interest in capital investments of this kind. They are also interested in the sources of money for costly purchases.

Davydov Sees London Club Payment by Year's End

MM2206081295 Moscow IZVESTIYA (Financial Section) in Russian 20 Jun 95 p i

[FINANCIAL NEWS AGENCY report: "Moscow Will Pay the London Club $1 Billion by the End of the Year"]

[FBIS Translated Text] Russia has already paid $350 million of this year's agreed interest payments to the London Club, Deputy Prime Minister Oleg Davydov, minister of foreign economic relations, announced in an exclusive interview. He added that this covered interest payments for 1992-1993. Russia's total debt to this creditor-banks club is $25 billion. The minister also announced that Moscow intends in the latter half of the year to pay the London Club a further $500 million of 1994 interest on top of the scheduled amount and to repay the entire 1992-1994 debt before the end of December. Thus, the deputy prime minister stressed, "Russia's total payments to the organization in 1995 will be $1 billion." The overall payments to service Russia's debt, which stands at $120 billion, will exceed $6 billion this year.

International Affairs

Clinton Congratulates Kuchma on Constitution

LD2206163195 Kiev UT-1 Television Network in Ukrainian 1600 GMT 22 Jun 95

[No video available]

[FBIS Translated Text] U.S. President Bill Clinton has sent a letter of congratulation to Ukrainian President Leonid Kuchma on the signature of the constitutional treaty with the Supreme Council. Winning the overwhelming majority of parliamentary votes in support of the law with a promise of change in the method of the nation's self-government is an outstanding achievement, the U.S. President writes.

In the short time since our quite productive meeting in Kiev, the U.S. President goes on to say in his letter to the president of Ukraine: You have succeeded in changing the political situation for the better and advancing toward a democratic and prosperous future for the people of Ukraine.

The U.S. President also voiced his satisfaction with the success of the negotiations between the presidents of Ukraine and the Russian Federation in Sochi last week. He described the event as of great importance to both countries and the region as a whole.

Protection of Russian Border To Be Reinforced

LD2206160395 Kiev UNIAN in Ukrainian 1445 GMT 22 Jun 95

[FBIS Translated Text] Kiev — Ukrainian Border Troops Commander Viktor Bannykh ordered the border guards units to reinforce the protection of the Russian-Ukrainian border after the situation in the North Caucasus deteriorated, UNIAN learned from the press service of the State Committee of Ukraine for the Defense of Ukrainian State Borders on 22 June.

Viktor Bannykh has informed the Russian Federation's Federal Border Service of this decision and called for cooperation in stepping up the supervision of individuals, vehicles, and cargo at the border.

The Border Troops of Ukraine, jointly with the security service, Ministry of Internal Affairs, and National Guard of Ukraine, have taken "additional steps to prevent armed formations infiltrating Ukraine and conflicts flaring up at the state border clearing posts," the press service announced.

UNIAN has learned that on 18 June Ukraine's Internal Affairs Ministry launched Operation Migrant, with the emphasis on detecting those who are in Ukraine in breach of the passport regime.

Kuchma, Yeltsin Discuss Confidence Issue

LD2206193595 Kiev UT-1 Television Network in Ukrainian 1800 GMT 22 Jun 95

[No video available]

[FBIS Translated Text] The presidents of Ukraine and Russia today had a telephone conversation. Boris Yeltsin told Leonid Kuchma about the developments regarding Russia's State Duma vote of no confidence in the Russian Government.

For his part, Leonid Kuchma voiced total understanding of the Russian Government's actions to free the hostages, held for a long time in Budennovsk hospital.

The Russian president underscored that the conversation between the two presidents was held on the 50th anniversary of the beginning of World War II. He paid tribute to the Ukrainian people, who were the first to be attacked by the enemy, and added that the Ukrainian contribution to the victory over fascism would forever be thankfully remembered by the people of Russia.

Boris Yeltsin further informed Leonid Kuchma about the course and outcome of the Halifax summit.

The two presidents also discussed other issues of mutual relations between our states.

Christian Democrats, Greens Denounce Fleet Accord

WS2306114295 Kiev VECHIRNIY KYYIV in Ukrainian 21 Jun 95 p

[Report by Svitlana Synyakova: "I Went Up on Deck and Lost My Conscience..."]

[FBIS Translated Text] Theory does not provide an exhaustive answer to the question as to how it is better to betray — collectively or individually. The experience of the independent Ukraine's first and second presidencies has been drawing public attention to this topic. The Black Sea Fleet serves as a litmus test to verify the presidents' allegiance to the nation. A news conference organized by the Ukrainian Christian Democratic Party [KhDPU] at the UNIAN offices was devoted to the fleet's division in Sochi. The news conference was attended by KhDPU Chairman Vitaliy Zhuravskyy; Party of Greens [PZU] Chairman Vitaliy Kononov; Mykola Mykhalchenko, president of the Ukrainian Academy of Political Sciences; Oleh Soskin, member of the Ukrainian Liberal Party Council, and Ukrainian People's Deputy Volodymyr Mulyava, hetman of the Ukrainian Cossacks.

Their criticism of the agreement signed by Boris Yeltsin and Leonid Kuchma was well-grounded and merciless.

Vitaliy Zhuravskyy termed it an "attack on Ukraine from its own territory." Vitaliy Kononov called it a "tool for exerting pressure on the Mediterranean region," emphasizing that the "permanent deployment of a nuclear country's armed forces in the neutral and nonaligned Ukraine contradicts commonsense." Mykola Mykhalchenko noted that one cannot speak about any strategic partnership, since the strategic interests of Ukraine and Russia in the Black Sea region are diametrically different: Ukraine is interested in establishing a zone of peace and cooperation, while Russia wants to preserve an outpost of its military influence and maintain its presence on this territory to restore its empire. Oleh Soskin believes that, according to the logic of the Sochi agreement, one can let the U.S. 6th Fleet into Feodosiya and charge it for a lease — which would make it possible to resolve our gas problem — and locate the Turkish Navy in another bay.

There is only one reason behind that fact that such a "puppet agreement" appeared at all — our country's nonparty leadership. "We are building a clannish state," Soskin stated. "In our country, everything depends on which clan is in power, and on its common interests. Moreover, there is no responsibility, as is the case when a political party is in power."

What comes next? KhDPU is against ratifying the Sochi agreement by the Supreme Council. PZU has appealed to the European Federation of Greens with a request that its members convince their governments that the Russian Black Sea Fleet should not be stationed in Sevastopol. The Liberal Party has not yet adopted its stance. Oleh Soskin's private opinion, however, is that the agreement should be denounced, which would be a normal step taken by parliament. If the Supreme Council does not denounce it, however, it may opt for a softer step — it may not ratify it. If it ratifies the agreement anyway, this will be a disgrace to the Supreme Council. And then, after the Pereyaslav Treaty [signed between the Ukrainian Cossacks and Russia in the 17th century] and the "large-scale treaty on friendship" signed in the 1920's, a new "large-scale" treaty on friendship between Ukraine and Russia will be signed. "This will perhaps become the last nail in our coffin."

Mykola Mykhalchenko suggests to proceed from the fact that Ukraine is a former colony. And its relations with Russia represent classic relations between a colony and an empire. One must thus appeal to the UN commissions in charge of decolonization, proclaim the Russian troops in Ukraine a foreign army, and withdraw them under the UN supervision and support. To reach an agreement with Russia means for us "the same thing as for a fly to reach an agreement with a spider."

Those attending the news conference were interested what takes place between our president and Boris Yeltsin when they hold private conversations, since they behave as if they have lost their mind. Mykola Mykhalchenko, who was on [former Ukrainian President] Leonid Kravchuk's team, was unable to respond to this question. He only confirmed that the Ukrainian team had been fighting against surrendering surrender the Black Sea Fleet for over two years, but Kuchma went to Sochi and surrendered it anyway. A similar case, according to him, happened with Kravchuk. "The teams draft documents and conduct talks, and then the presidents meet, and everything goes topsy-turvy."

The most widespread unofficial opinion is that the Moscow master presented some lethally compromising document at these meetings. Is there a more abhorrent betrayal for a president than the betrayal of his own people?

Dudayev's Representative in Kiev Arrested

LD2206163395 Kiev UNIAN in Ukrainian
1324 GMT 22 Jun 95

[FBIS Translated Text] Kiev — The Kiev militia on 22 June arrested Ruslan Bodayev, the official representative of Dzhokhar Dudayev in Kiev, Viktor Melnyk, the head of the UNA [Ukrainian National Assembly] executive committee, told UNIAN.

He confirmed that Ruslan Bodayev was arrested without being charged.

Viktor Melnyk said that as a result of a conversation between the chairman of the Supreme Council Subcommission for Issues of Human Rights and leader of the UNA-UNSD [Ukrainian National Assembly-Ukrainian National Self-Defense] and the leadership of the Kiev militia, it was ascertained that Ruslan Bodayev had been arrested for infringing passport regulations.

"We consider that the actions of the Ukrainian law-enforcement bodies testify to the fact that they are completely dependent on the Russian power ministries," Viktor Melnyk said.

National Affairs

Presidential Aide's NATO Stance Criticized

WS2206125195 Kiev VECHIRNIY KYYIV
in Ukrainian 16 Jun 95 p 2

[Commentary by Ihor Nedyukha: "Familiar 'Accompaniment'"]

[FBIS Translated Text] I have seen a UT-1 Television report on a briefing held by V. Horbulin, secretary of the president's National Security Council [RNB] and one of the most active participants in the preparation of the highest-level Ukrainian-U.S. negotiations, in which he summed up these talks. V. Horbulin devoted special attention to Ukraine's position vis-a-vis future NATO expansion by accepting a number of Central and East European countries.

As an example of a well-balanced approach to the resolution of this problem, V. Horbulin cited an article by V. Lukin, head of the Russian State Duma Committee for International Affairs (IZVESTIYA dated 12 May 1995). At V. Horbulin's recommendation, I have familiarized myself with V. Lukin's article "What Are We Building in Europe: A New House or an Old Fence?"

Suffice it to say that following V. Lukin, who derided the "naivete of neophytes in a new European landscape," RNB Secretary V. Horbulin — while explaining the position of the Ukrainian leadership — spoke in the same spirits about those former members of the Warsaw Pact, which "have rushed at breakneck speed to stand in line for NATO membership, thinking that this is a cure-all remedy." Given this background, it is hardly possible that someone could be deceived by Horbulin's "cushioning" statement that, so to speak, Ukraine is not against NATO expansion in principle, but.... Regarding this "but," complete "mutual understanding" can be observed here with V. Lukin, who surely had his reasons for making assurances about Russia receiving support from its "neighbors" if there occurred a clash with NATO over this issue. The only difference "on principle" lies in the fact that V. Lukin characterizes the U.S. "Partnership for Peace" program as an "anesthesia" for Russia for the period during which former Warsaw Pact countries will join NATO, whereas V. Horbulin assesses this program as an adequate "anesthesia" for Ukraine until it joins the "security zone" — an alternative to NATO — which is being organized by Russia.

In this respect, RNB Secretary V. Horbulin's showed his especially graphic "overzealousness" in reproaching Poland for its "unstoppable" desire to become a NATO member, which was not attempted by even V. Lukin himself. Suffice it to say that V. Horbulin stated that Poland, after joining NATO, will acquire access to nuclear weapons. This is all nonsense, though.

Horbulin cannot understand that NATO distinguishes itself precisely through its policy of adopting the most important resolutions on the basis of unanimity of all alliance members. Therefore, it is absurd to seriously discuss the possibility of transforming Poland, as a possible NATO member, into a nuclear state. The only logical reason for such statements on the part of Horbulin may be found in testing the waters — "in solidarity" with Russia — for Ukraine's potential "demarche" renouncing the formerly adopted disarmament commitments (including nuclear disarmament) if Poland joins NATO.

One has the impression that V. Horbulin, as if by special order, intentionally and bluntly depicted an "artistic" image of Poland as a potential enemy of Ukraine. In fact, he did it only on the grounds of Poland's desire to guarantee its national security against Russian "surprises."

In his time, Yevhen Marchuk, former head of Ukraine's Security Service and current prime minister, dealt with Turkey in the same way, portraying this country as a potential enemy of Ukraine (HOLOS UKRAYINY dated 12 December 1992).

Y. Marchuk's "selection" subsequently proved its fundamental incompetence, since it was Turkey, as opposed to Russia, that appeared as the only well-wishing country supporting the Ukrainian Supreme Council's initial resolution on a moratorium imposed on nuclear disarmament in Ukraine. If Ukraine had more such "potential enemies" as Turkey, we might not worry about guarantees regarding it's national security. Therefore, it is not advisable to "exploit" the Polish "store" in a similar manner. As for Marchuk, he limited himself to asserting his vision of Turkey as Ukraine's potential enemy (with an ensuing recommendation to put Ukraine under Russia's "nuclear umbrella"). As for Horbulin, he does not think it inappropriate to remind Poland that, so to speak, it does not even possesses the financial wherewithal to join NATO as a full-fledged member.

It is necessary to take into account the fact that NATO membership ensures not only the highest possible guarantees of national security, but also a considerable reduction in defense expenditures as part of the NATO system of collective security, as compared to individual efforts on the part of, for example, Ukraine.

Let me ask you why Horbulin needed to interfere with Polish affairs specifically and at all, when the Russian side, even without his help, is making great efforts to introduce a desirable dissonance in the trend of strategic banqueting [stratehidine benketuvannya] of Ukraine and Poland.

Russia has something to lose even if NATO is joined by Poland alone; in this case, NATO borders will directly touch the Russian enclave — Kaliningrad Oblast, the former East Prussia belonging to Germany. The German side has even now showed its initiative interest [initsiatyvnyy interes] in the future of Kaliningrad Oblast, not necessarily in unison with the Russian Federation.

V. Lukin, head of the Russian State Duma Committee for International Affairs, provided a truly appropriate example of how to defend the national security interests of his country. This can hardly be said about the address by RNB Secretary V. Horbulin, regarding the identical views expressed by both of them on the issue of mutual relations with NATO. The question as to what degree Ukrainian and Russian national security interests may be identical, remains quite open.

Overall, the briefing held by RNB Secretary V. Horbulin graphically demonstrated that it is still too early to speak about Ukraine's real independence on fundamental questions of foreign relations. At best, Ukrainian efforts in this sphere are of a completely imitative nature, if only to preserve the image of sovereignty in the eyes of the world community.

British Military Delegation Visits Lvov

WS2206142595 Lvov VYSOKYY ZAMOK in Ukrainian 15 Jun 95 p 1

[Report by Vasyl Tarchynets, chief of the Carpathian Military District press center: "British General Landed in Lvov"]

[FBIS Translated Text] General Charles Guthry, chief of staff of British Ground Forces, arrived in Lvov on 13 June. He visited an aeromobile unit, where Colonel Mykhaylo Koval, the unit's commander, took the foreign guests on a tour around the training center and obstacle course. Inside the lecture hall, the British officers had a chance to see how parachutes were packed and how classrooms look. They displayed an interest in the special gear of servicemen, who have such an adventurous military profession.

The guests then attended a special tactical exercise, where paratroopers demonstrated extraordinary moral and psychological qualities and high-precision airdrops.

On the same day, Gen. Guthry visited the Lvov test range, assessed its capacity, and made a helicopter overflight of training facilities. The guest was briefed on the capacity of the test range in terms of its training facilities and available hardware.

The British general was accompanied by Ukrainian Deputy Defense Minister Vasyl Sobkov, commander of Ukrainian Ground Forces. The Ukrainian official briefed his counterpart on the process of reform in our country's Armed Forces. During the conversation, the sides discussed the recent "Peace Shield-95" Ukrainian-U.S. exercises, which had met with favorable comments on the part of foreign observers and reporters.

Police 'Check' Chechens Living in Kiev

WS2206135295 Kiev VECHIRNIY KYYIV in Ukrainian 21 Jun 95 p 1

[Unattributed report]

[FBIS Translated Text] As we have learned from unofficial sources, the events in the Russian city of Budennovsk have suddenly "echoed" in Kiev. The local law enforcement agencies have been instructed to check Chechens and other individuals of the Caucasian nationality living in the Ukrainian capital.

What stands behind this instruction — regular measures for combating organized crime, or, perhaps, Moscow is again "sending" us instructions as to "whom we should fight against at the current stage?"

As everybody knows, in connection with the events in Budennovsk, the Russian law enforcement agencies have recently launched a stringent check of all individuals of "Caucasian nationality" without exception on the territory of the entire Russian Federation.

Kuchma Asks Parliament Not To Fire Datsyuk

WS2306081895 Kiev INTELNEWS in English 0231 GMT 23 Jun 95

[Report by Oksana Hasiuk]

[FBIS Transcribed Text] Kiev, June 22 — President Leonid Kuchma sent Parliament a letter on Thursday asking that it change its mind about firing General Prosecutor Vladyslav Datsyuk, Deputy General Prosecutor Olha Kolynko told INTELNEWS.

In a related development, presidential Chief of Staff Dmytro Tabachnyk called Parliament's Wednesday decision to can the prosecutor "an attempt to break the constitutional treaty on which the ink hardly dried after its signing by both power branches."

According to the agreement, which was put into effect earlier this month, the appointment and dismissal of the general prosecutor are to be approved by Parliament upon the recommendation of the president.

Datsyuk had faced increasing political problems with Parliament over his office's investigations of high-level corruption — particularly in Parliament.

Critics of the prosecutor charged him with the failure to try organized crime cases and with the authorization of illegal wiretaps.

Oleh Matkovskyy, and a Rukh faction member of the investigating committee appointed by Parliament to study the activity of the General Prosecutor's Office, called the dismissal illegal due to lack of presidential involvement in the decision.

"In compliance with the Power Bill, Parliament had no right to consider to consider firing the general prosecutor," he said.

According to Matkovskyy, in firing the general prosecutor, Parliament interfered in the activity of the executive branch, and both he and Kolynko called upon the president to respond decisively.

"If Parliament refuses to revise its Wednesday's resolution, the president should issue a decree recognizing this resolution as illegal and appointing Datsyuk back to his office," said Kolynko.

Matkovskyy charged that the decision to fire Datsyuk was, first of all, directed against Kolynko, who is conducting highly publicized investigations of high-level corruption — most notable among these being the case against First Deputy Speaker Oleksandr Tkachenko for the alleged misappropriation of $70 million in American credits to the Land and People agricultural association he founded.

Datsyuk officially requested June 5 that Parliament let the General Prosecutor's Office sue Tkachenko according to criminal proceedings initiated against him for interference into Kolynko's investigation.

The General Prosecutor's Office is also currently investigating cases involving Parliament Speaker Oleksandr Moroz and Moroz adviser Viktor Bozhenar, the latter of whom was arrested on embezzlement charges in March.

"Of course, for Parliament's leadership it was unprofitable to have such a General Prosecutor's Office," said Matkovskyy.

Matkovskyy also charged the committee appointed to study the prosecutor's office with bias due to its leftist composition and with the illegal conduct of its proceedings.

"Deputies from the investigating committee were interrogating people, violating the constitutional right of individuals to defend themselves," said Matkovskyy.

Matkovskyy also said that those uninterested in seeing the corruption investigations continued conspired to trump up charges that Datsyuk authorized wiretaps on deputies.

National Democrats Boycott Parliament Session

LD2306100695 Kiev UNIAN in Ukrainian
1445 GMT 22 Jun 95

[FBIS Translated Text] Kiev — The Ukrainian Supreme Council today failed to commence a plenary session after refusal by some of the deputies of national democratic orientation to register in protest against holding the session with Oleksandr Tkachenko, Supreme Council of Ukraine first deputy chairman, in the chair. Interviewed by UNIAN, the deputies said that, until all the I's were dotted in the case of Oleksandr Tkachenko, they will abstain from registration, which forced Oleksandr Tkachenko to postpone opening proceedings until 23 June.

Petro Sheyko, the chairman of the parliamentary Committee for Procedure and Deputy Ethics, told parliament members that on 21 June the committee was to have addressed the issue of consent to launching a criminal prosecution against Oleksandr Tkachenko, but made no decision because a representative of the Office of the Prosecutor-General did not attend. He added that Viktor Melnyk, Ukraine's acting prosecutor general, was invited to the next session.

Air Defense Forces Chief Interviewed

WS2306093895 Kiev KHRESHCHATYK in Ukrainian
16 Jun 95 p 2

[Interview with Colonel General Mykhaylo Lopatin, commander of the Ukrainian Air Defense Forces, by UKRINFORM correspondent Yuriy Povkh: "Mykhaylo Lopatin: 'The Current Primary Task Is To Preserve the Combat Power of the Air Defense Force'"]

[FBIS Translated Text] **The president of Ukraine issued the edict "On Ukraine's Air Defense Forces" on 20 April. A UKRINFORM correspondent has asked Colonel General Mykhaylo Lopatin, commander of the Ukrainian Air Defense Forces [ADF], to provide a commentary on the essence and the process of transformation occurring in the sphere of protection of the Ukrainian air space.**

[Povkh] Mykhaylo Oleksiyovych, tell us what will be the structure of Ukraine's ADF?

[Lopatin] First and foremost, they will comprise the Air Forces [AF] and the Antiaircraft Defense Forces [AADF] of Ukraine, which until 29 April 1995 existed separately. At present, according to the president's edict, the new command of the ADF is being established, which will exercise control over a new kind of Ukrainian Armed Forces.

Its basic structures will be established by 1 December 1995. The final completion of the process of establishing the ADF is expected in 1996.

[Povkh] There was no precedent in the history of the Armed Forces of the former USSR of merging several branches of service. Whose path did we follow? Was this experience borrowed from the West?

[Lopatin] As a matter of fact, there are no such analogies (with regard to the name) in the world. "The Air Defense Forces" — exactly such a definition was included into the concept of establishing the Armed Forces of Ukraine in 1991.

As for the former Warsaw Pact, many of its members currently have branches of service which are called the AF and the AADF. In Hungary for instance, it is called the AADF because the AF comprise an insignificant part of it. As for the Russian Federation, the AF and the AADF will probably remain as separate components of the Armed Forces.

In the United States, as well as NATO, this kind of force was initially established as the AF; at the same time, the system of command was established. Currently, disregarding the fact that they have one branch of service, they have two commands: the command for the AF and the command for the AADF.

Certainly, there is no pattern we could follow, and no experience which we could fully employ; we can only use certain experience which responds to our needs and make good use of it, proceeding from the size of our territory, the numerical strength of the Armed Forces, and the potential of both the AF and the AADF.

While creating the command of the ADF, we presume that even taking into account the command of the AF which will remain in Vinnytsya, the overall number of command staff will be reduced. Presently, I am not prepared to cite a precise figure; at any rate, it will amount to around 100-150 men. This is a significant reduction, given that currently each person costs the state a lot of money.

While organizing the command, we are liquidating many dual structures. For instance, the AF and the AADF currently take care of the Air Force rear units. Radio detecting and ranging work is conducted not only by the Radio and Telegraph Troops of the AADF but also by radar units, which are included in the AF. Their merging will allow us to reduce the volume of radar equipment, and thus save combat resources. We have been organizing interaction between the separately existing AF and AADF, given that this separation has hindered and complicated rapid and high level realization of combat tasks. Currently, all troops of the ADF are going to be commanded from one command post.

[Povkh] In which way, in your opinion, will the Armed Forces be developed: Will a stronger emphasis be placed on the development of the AF, or on the development of the AADF? Or perhaps, the development of both components will be carried out on equal terms?

[Lopatin] It is obvious that I, as the former commander of the AADF, should not favor this component of the Armed Forces. I think that the development of both components should be carried out on equal terms. Both the AF and the AADF perform very important duties. Under the current circumstances (the state's non-nuclear status), the AF is our primary attack force. Therefore, the development of the AF and maintenance of its combat readiness is our principal task.

Obviously, we understand very well that it is impossible to conduct the military task of protecting the state's borders without the AADF system, the more so since our military doctrine is of a defensive nature. Therefore, the AADF forces should now be developing, improving, and — first and foremost — should maintain the combat readiness of the Armed Forces.

I have talked many times about the fact that Ukraine has obtained quite a powerful share of the former AADF system. Its combat potential can be compared perhaps only with the Moscow AADF system. There have never been similar formations either in Belarus or in any other state of the former Soviet Union.

The same can be said about the AF. No such state existed where on a relatively small territory (in strategic terms) four air armies were located, plus strategic aircraft and long-range aircraft. Only Ukraine had a bomber regiment of the TU-160 type, but only only one such aircraft remained in Russia. Therefore, our primary task is to preserve this wealth. As for the military hardware, whose operational lifespan is over and cannot be extended, undoubtedly the issue of its liquidation should be raised.

[Povkh] When, do you think, Ukraine can launch the production of its combat aircraft and antiaircraft missiles systems [AMS]? Are there any plans for producing our trainer aircraft?

[Lopatin] We have acquired a number of the L-39-type aircraft made by the Czechs and are using them for training purposes. Currently, given the shortages of fuel, we are using these machines for training pilots from the bomber regiment. This aircraft is five to six times more economical than a bomber. At present, we are using all means to establish the entire infrastructure for renovating this type of aircraft and prolonging its operational lifespan. As for a domestic trainer aircraft, there are plans to develop one, and they have been developing. I believe that the state will have enough strength and funds to build such an aircraft.

As for a bomber aircraft, currently I cannot provide you with an exact date. Work is advancing. However, it is difficult to say when it will be completed. All depends on funds.

We have a similar situation with our own AMS. So far, we are working on the theoretical development of this issue. As for rockets, we produce them only for one type of the AMS; we also produce aircraft rockets. Therefore, we have the possibility to maintain combat readiness in this sphere, since the operational lifespan of rockets is much shorter than the operational lifespan of the ground components of the AMS.

[Povkh] Mykhaylo Oleksiyovych, how do you assess the current level of the ADF's combat readiness?

[Lopatin] In accordance with the results of a recent inspection, I can claim with full responsibility that combat readiness of the ADF is sufficient for a reliable protection of Ukraine's air space.

Report Mocks Conversion at Former Military Plant

AU2306115895 Kiev HOLOS UKRAYINY in Ukrainian 21 Jun 95 p 14

[Report by Mykola Nechyporenko: "Instead of Missiles — Toothpaste. For Dogs?" — first paragraph published in box]

[FBIS Translated Text] In January 1995, the mass media extensively covered the arrival of U.S. military observers in Pavlohrad in Dnipropetrovsk Oblast. In accordance with the international accord on the limitation of strategic armaments, termed START-1, the overseas specialists wanted to see for themselves whether Ukraine had really stopped production of SS-24 intercontinental ballistic missiles.

It was planned to continue control at least until the end of the current year. The American military completed their mission ahead of time. They have just quietly left for home, having said their traditional "okay."

The early departure is an indication that the Americans trust us completely. On the one hand, this is very reassuring: The fact that our intention to get rid of atomic weapons is beyond doubt means a lot for Ukraine's prestige in the world community.

However, there is another aspect of the matter that one should not ignore. As missiles are removed from mass production, the capacities must be loaded with other products — is this not logical? This is in the interests of our economy, the well-being of the population, and employment. Apparently, the American observers also thought so at the beginning. When, at first, as they carried out their duties more than scrupulously, they refused to believe that hundreds and thousands of workers and engineers were exclusively engaged in manufacturing a limited batch of some obsolete kitchen combines, but later they could not account for the fact that, suddenly, on weekdays, the plant became empty.

Not to dwell too long upon the "sentiments" of the American envoys, we will say laconically and explicitly: How could they foresee that conversion as we render it is not simply incompetent, impotent, and meaningless, but also doomed to failure? In accordance with the principle "spare your efforts and yield to your fate."

Seriously speaking, however, the mission of the U.S. military ended ahead of time primarily because they realized that today, not just missiles, even rudimentary pots or buckets can no longer be manufactured there. With regard to missiles, even if the plant is willing to manufacture them and even if it is ordered to resume their production, it will not be able to do so. Period. Or perhaps it will continue producing the toothpaste that the Americans, allegedly, first mistook for toothpaste for pet dogs....

Official on Results of Crimean Inspection

WS2206125295 Simferopol KRYMSKA SVITLYTSYA in Ukrainian 10 Jun 95 p 2

[Interview with Colonel General Ivan Bizhan, Ukrainian deputy defense minister, by Major Vasyl Sadovskyy; place and date not given: "Tangible Progress Has Been Made" — first paragraph is KRYMSKA SVITLYTSYA introduction]

[FBIS Translated Text] The personnel of the 32d Army Corps of the Ukrainian Armed Forces, which is deployed on Crimea's territory, have completed the winter training period. A review inspection was the final step of that period. During the inspection, the servicemen passed a serious examination for professionalism. The inspection team, which spent a week working in the units and subunits of the corps, was led by Colonel General Ivan Bizhan, Ukrainian deputy defense minister. Our correspondent has asked him for an interview.

[Sadovskyy] The personnel of the units and subunits were preparing for the current inspection with anxiety, if not with alarm. Although the inspection was planned as a review of the six-month period of combat training, people usually pin certain hopes on visits by authoritative commissions. Is that true?

[Bizhan] I do not completely like the term "inspection." We do not inspect; we work. According to the defense minister's plan, I headed a group of generals and officers representing central [Defense Ministry] bodies, which worked to check how the 32nd Army Corps and other units and formations deployed in Crimea had accomplished the tasks planned for the winter training period. The other task was to sort out the issues concerning the material base, including military settlements, and to improve the situation proceeding from our state's economic potential.

[Sadovskyy] What are your impressions of the inspection?

[Bizhan] My impressions are not bad. I had visited the 32nd corps almost 18 months ago, thus I can compare the two visits. Tangible progress has been made in terms of combat training, as well as in the social sphere, which is a very complex aspect. I am referring to the maintenance of military settlements, barracks, and the like.

[Sadovskyy] What is the basis for the corps's success?

[Bizhan] The main thing is to have a good corps commander. In the given case, the corps commander has managed to organize the activities of his deputies, and has introduced an appropriate system of work, which yields results. During the inspection, I did not see a single unit or corps commander who tried to justify his drawbacks by inadequate financing. To the contrary: They showed us what had been done.

[Sadovskyy] However, is the situation equally good everywhere?

[Bizhan] No, not in all the units that are not part of the 32d corps is the situation positive. At the same time, I would like to add for the sake of objectivity, basing this on what I saw and learnt in the Antiaircraft Defense training unit in Kerch, the unit's commander deserves commendation. The commander knows his stuff, and the personnel are working and, despite the difficulties, performing their tasks. To my regret, the same does not apply to other units subordinated to the military district and the central command. I am sure that hard work is ahead of both the military district command and the appropriate structures within the Defense Ministry.

[Sadovskyy] Comrade Colonel General, as far as I know, during the inspection, you had parallel meetings with the local leadership. I know that this is a delicate matter, but still: Do they understand the servicemen's daily problems?

[Bizhan] After the current visit to Crimea, I can state with satisfaction: The local authorities have a very good attitude toward the Army, much better than, say, a year or two ago. I met Prime Minister Franchuk — that was my first meeting. We reached understanding on the issues discussed. I had a chance to see that the Crimean leadership have a normal, statesmanlike attitude toward the problems of the Armed Forces. The authorities of the territories on which our troops are stationed have the same approach.

[Sadovskyy] Based on the results of the inspection, you cited specific data in your speech which clearly indicate that the state cannot adequately meet the financial needs of the Army. Thus, it has to enforce the downsizing of the Armed Forces. Does this also apply to the [units deployed in] Crimea?

[Bizhan] Naturally. We are already planning organizational and staffing changes. While delivering the speech, I wanted everybody to understand that we have no other option than that of optimizing our Armed Forces and bringing them in line with our current potential. The stance of our defense minister is as follows: This must be done immediately. I would like to remind you that in 1995 we only received 21 percent of required budget funds. Also, we realize that in 1996 the state will be unable to give us more.

[Sadovskyy] Given that you are a member of the working group for the issues of the Black Sea Fleet, you probably familiarized yourself with the situation in the Fleet while visiting Crimean garrisons.

[Bizhan] I did that, too, although not fully. I had a meeting with the leadership of Balaklava [proposed site of Ukrainian Navy's stationing] and with the commander of the Russian unit which had been deployed there in the past. Aside from that, I had a meeting with Sevastopol leaders, particularly City Soviet Chairman Viktor Semenov. We discussed Fleet issues. I held similar talks in Feodosiya. Incidentally, we exchanged letters with Admiral Feliks Gromov, Russian Navy commander. As a result, we delegated experts to Moscow who will work in expert groups for the division of the Black Sea Fleet.

[Sadovskyy] Do you think that their work will be completed in the immediate future?

[Bizhan] On our part, there is a strong desire to resolve this problem. I can see that Russia has similar intentions.

[Sadovskyy] Let us hope.

Plans for Ukraine's Heat-Elements Plant Detailed

AU2306083495 Kiev MOLOD UKRAYINY in Ukrainian 20 Jun 95 p 2

[Report by Tetyana Khomych: "TVEL's for Nuclear Plants Will Originate in the Dnieper Region. A Plant for the Production of Nuclear Fuel for Ukrainian Atomic Plants Will Be Built in Zhovti Vody"]

[FBIS Translated Text] Our state had traveled the thorny path of the entire complex of nuclear problems before it adopted this decision. These problems are known to have persistently emerged ever since the USSR's "single" power engineering complex turned its face to the wall — and we were left without fuel for our atomic plants. The problem was temporarily resolved when Russia was supplying to Ukraine TVEL's [heat elements] for our atomic electric power plants [AES] as compensation for the tactical ballistic missiles transferred there. However, it was particularly unpleasant to be treated as a poor relation while uranium ore reserves were located precisely in Ukraine.

It appears now that these problems will be brought to an end: Ukraine has decided to build its own plant for producing nuclear fuel. One can, of course, anticipate a cautious reaction to this news on the part of the "Greens" and not only them. However, the severe reality of our days, when atomic power engineering will probably occupy a major place for many years to come, is such that every state that has its own AES's must also have its own burial sites for nuclear waste and its own capacity for the production of nuclear fuel. Ukraine has also been confronted with such a need.

"We cannot bypass these problems," explains Yuriy Koshyk, director of the Ukrainian Scientific Research Institute of Industrial Technology. "The concept of development of Ukraine's fuel and energy complex by the year 2010 that was adopted by the Supreme Council envisages commissioning another five power units for our AES's in addition to the 14 already functioning ones. This means that the demand for TVEL's — we purchase them from Russia for hard currency — will further increase. Even today, our state has to spend $390 million a year on them. When five new power units start operating, this sum will go up to $600 million. Besides, there are two more circumstances. The cassettes that we are getting from Russia are rated for three years' operation, whereas those used in other states last for four years. This makes the purchase even more expensive. On the other hand, specialists predict that the price of crude uranium will grow several times over the current decade, and as a result, Ukraine will have to spend between $1 billion and $1.5 billion a year on purchasing the cassettes.

These estimates and also the availability in Ukraine of its own raw-materials base for developing the nuclear energy industry have become arguments in favor of building our own plant for manufacturing TVEL's. True, it will probably be impossible to create the entire cycle of their production at one go — that is why it is planned to send our uranium, after its initial processing, abroad — to France, Great Britain, or Russia, where the necessary facilities are available. Later, the obtained material and assembly parts, manufactured in Ukraine, will be put together in our country to manufacture TVEL's — at a plant to be built.

Construction is planned to begin next year. Two main requirements for the design are that the plant have a minimal effect upon the environment and that the quality of the fuel be high. Of a dozen proposed variants for locating the new production, Zhovti Vody was not selected accidentally — it is precisely there that uranium is mined and from there, uranium and also zirconium, mined at nearby Vilnohirsk, were taken to Russia. A characteristic detail: When Czarist Russia developed its metallurgical industry in the south of the country within its borders by that time, processing enterprises were located in the vicinity of the raw-materials bases; that was how the Donets-Dnieper Basin came into being. During the Soviet era, this principle changed — Ukraine became a huge site for raw materials and assembly parts that were invariably put together in Russia. That was yet another indication of the political considerations behind the idea of building the "single national economy complex" when economies of outlying republics could not be self-sufficient.

Our own plant for manufacturing TVEL's is yet another step toward Ukraine's economic independence. It will not be painless, if one considers the present technogenic and radiation contamination of our state's territory. However, as promised by leaders of four ministries, including the Ministry of Health and the Ministry of Environmental Protection, that will be involved in the new facility, an ecologically friendly production will be the goal. In this connection, a tender will be held: A closed international competition that will enable Ukraine to chose the optimal enterprise design. Even now, international firms are expected to show great interest, because the winning firm will be given the right to invest in the construction of the facility. After a TVEL plant appears in the Dnieper Region, Ukrainian producers will also gain in some spheres: There will be a greater demand for labor, and production will resume at enterprises that have undergone conversion. In particular, it is already known that the Prydniprovskyy Chemical Plant in Dniprodzerzhynsk will, in accordance with the governmental program, produce zirconium alloys; the Zhovti Vody "Elektron" Plant and the Southern Radio Factory will manufacture assembly parts; mechanical and welding production lines of other enterprises will probably also be needed.

'Immediate' Funds Increase for Aerospace Urged

WS2306092095 Lvov INFOBANK in English
0730 GMT 23 Jun 95

[From the "News Service" feature]

[FBIS Transcribed Text] Ukraine's aerospace industry may be ruined without immediate increase in government spending, says Andriy Zhalko-Tytarenko, former Director of the National Space Agency. According to conservative estimations, the National Space Agency needs 11-12 trillion karbovantsi annually to conduct its activities. The desperate condition of the aerospace industry is explained by immense delays in the production cycle — for example, it takes nearly two years to assemble a single Zenith space rocket at the Dnipropetrovsk PIVDENMASH plant. Thus, Mr. Zhalko-Tytarenko believes there is no necessity for Ukraine to manufacture space rockets completely and to launch them independently. In his opinion, such efforts may undermine the whole aerospace industry of Ukraine. The Ukrainian Zenith space rocket will hardly gain access to European markets as it is in many respects similar to French Ariane-4 and Ariane-5 rockets and France will try to cut down competition. Instead, Mr. Zhalko-Tytarenko views the Global Star project — a U.S.-Ukrainian undertaking which involves launching communications satellites by Zenith rockets from the Baikonur Space Center — as potentially beneficial for Ukraine. Though Ukraine will not gain significant commercial profits from these launches, that would be a breakthrough to the global market and an opportunity to keep the aerospace enterprises running, he argues.

Trade Unions May Attempt To Dissolve Parliament

WS2206140095 Kiev UKRAYINA MOLODA
in Ukrainian 20 Jun 95 p 1

[Report by Dmytro Lykhoviy: "Long Live a Referendum on No Confidence in the Supreme Council?"]

[FBIS Translated Text] By accepting defeat in the form of a compromise with the president, the Supreme Council avoided a blow of no confidence, which was to be delivered during the 28 June nationwide plebiscite. Although the parliamentarians retained their seats, this has not improved the results of their annual activities — this was the conclusion drawn by participants in a meeting of trade unions and strike committees held in Kiev last Saturday [17 June]. The meeting of unofficial trade unions (VOST [All-Ukrainian Union for Solidarity of Workers], free trade unions, and the Independent Trade Union of Servicemen), as well as certain strike and workers committees was initiated by the Ukrainian National Assembly [UNA].

Admitting the Supreme Council's dramatic weakness as a result of its ceding of power to the president, and claiming that the Supreme Council has not managed to make any decision concerning the budget, Law on Wages, and the minimum consumer basket, participants in the working meeting decided to organize a referendum on no confidence in parliament in the fall.

How realistic are the plans of conspirators against our highest legislative body, given their unimpressive numbers? The parliamentarians do have reasons to worry. Despite their low number, the leaders of independent trade unions and workers represented a majority of regions — 19 oblasts. To hold a referendum, 1.5 million signatures must be collected, and it should be noted that the independent unionists' tactics are completely different from the principles of Rukh, which did not collect the required number of signatures for the former parliament's dismissal in 1992. The participants in the Saturday meeting are collecting signatures among company staffs in their regions, and not in the apolitical streets, as [Rukh Chairman] Chornovil's supporters did two and a half years ago. One can draw conclusions on the current situation in our state taking into account the status of workers in state-run companies, which are standing almost idle. It should also be noted that they proposed that not only trade unions and strike committees, but also public organizations and political parties opposing the Supreme Council join the referendum headquarters.

Although it was UNA that initiated the meeting, not all decisions made there corresponded with the assembly's plans. Nonetheless, yet another fact confirming a rapprochement between UNA and labor masses should be noticed: Presenting their recommendations with regard to a new electoral law, both UNA and workers propose to grant the right to be elected according to a proportional system not only to parties, but also to branch trade unions and associations of trade unions.

To continue their antiparliamentary efforts, UNA leaders are going to hold another meeting in Kiev at the beginning of July — a meeting of local council chairmen (primarily, city council chairmen). As UNA Executive Committee Chairman Viktor Melnyk has told UKRAYINA MOLODA, the number of participants in this meeting will not play a decisive role either. The very fact that the meeting will be held will be significant, and the absence of council and executive committee chairmen, who will be afraid of reprisals from more influential officials, will be compensated for by their support for the collection of signatures in support of the referendum. According to Melnyk, many local council chairmen have already agreed to advocate the Supreme Council's dismissal. One can also expect tacit approval from many mayors and rayon council chairmen. The share of revenues for local councils in the 1995 budget passed by the Supreme Council (one percent of the budget is extremely little for these councils) may be named as a reason behind this.

The short political lull after the conciliatory signing of the constitutional agreement on the power bill is most likely coming to an end. Although the power struggle is entering a somewhat different area, it still remains a topical issue. Does one count deputies in the fall, like chickens?

Ethnicity of Society Detailed

WS2306083795 Kiev INTELNEWS in English 0231 GMT 23 Jun 95

[FBIS Transcribed Text] Kiev, June 22 — About 130 nationalities, including 37.4 million ethnic Ukrainians, or 72.7 percent of the 52 million population, are currently living in Ukraine, according to the Nationalities, Migration and Religions Ministry. The non-Ukrainian ethnic population is more than 14 million or 27.3 percent.

As of the beginning of 1995, 237 national cultural societies, including 16 Ukrainian ones, existed. KBV [karbovantsi] 5.4 billion was spent in 1994 on measures to meet the cultural and educational requirements of the ethnic communities.

Russians are the largest non-Ukrainian ethnic group. Presently, they make up 22.1 percent of the total population. As of the beginning of 1995, 2,973 Russian schools were functioning in Ukraine. About 42.7 percent of all Ukrainian pupils are studying in these schools. In addition, there are 2,367 mixed-language schools, in which Russian is one of the teaching languages. Russian language and literature specialists study in 31 higher educational institutions of Ukraine.

There are 30 theaters with Russian repertoires and 36 others that carry out productions in Russian. Russian-language television programs occupy about two-thirds of the total broadcasting time, not including the regular transmission of Russian public television found on Channel One. The ethno-cultural interests of Russians in Ukraine are represented by 24 all-Ukrainian and regional communities and associations.

Jewish people are the second largest ethnic group, 486,300 people, in Ukraine, according to the 1989 census. Teaching in Hebrew is conducted in four general education and five religious schools. The International Solomon University is in Kiev; and some higher educational institutions have Jewish departments.

The Jews' interests in Ukraine are represented by 38 societies. The artistic traditions of Jewish people are represented by two theaters and about 20 creative collectives. A number of newspapers are published and television and radio programs are broadcast in Hebrew.

The Belarusian community is smaller at 440,000. There are four Belarus societies. Education and television and radio broadcasting in the Belarus language are not available, however.

Among the other national minorities, the largest are Moldovans, Bulgarians, Poles, Hungarians, Romanians, Greeks, Tatars, Crimean Tatars and Germans. All have cultural societies and associations.

'Political Ruthenism' in Carpathian Region Viewed

WS2306092495 Uzhhorod SRIBNA ZEMLYA in Ukrainian 17 Jun 95 p 3

[Interview with Volodymyr Churay, "representing" the Ukrainian Ministry for Issues of Nationalities, Migration, and Religious Groups, by Oleksandr Sochka; place and date not given: "Forceful Methods Will Not Be Used Against Ruthenian Politicians From the Transcarpathian Region. This Was Decided in Kiev" — first paragraph is SRIBNA ZEMLYA introduction]

[FBIS Translated Text] A conference "On the Role of Media in the Process of Adaptation of National Minorities to the Conditions of the Ukrainian State" was held in Kiev on 8-10 June. It was organized by the "INTERNEWS" international media center jointly with the Friedrich Eber Fund. The conference was attended by journalists from national minority periodicals, representatives of the embassies of neighboring states, and workers of the Institute of National Relations of the Ukrainian National Academy of Sciences. The majority of reports presented at the conference focused on the subject reflected in the conference name. Participants in the debates devoted significant attention to the experience of neighboring states in creating legislation that determines the rights of national minorities. The Ukrainian Ministry for Issues of Nationalities, Migration, and Religious Groups was represented at the conference by Volodymyr Churay. A SRIBNA ZEMLYA correspondent has spoken with him.

[Sochka] **Ukraine's legislation interprets the term "national minorities" quite broadly. The term is so broad that it seemingly includes the so-called Carpathian Ruthenians [pidkarpatski rusyny], whose association operates in the Transcarpathian region.**

[Churay] Like Lemkos [lemky] and Boykos [boyky], the Ruthenians are a historically developed form of the Ukrainian nation. Therefore, the law on national minorities does not pertain to them.

In my opinion, the problem of political Ruthenism [politychne rusynstvo] is nothing more than a tempest in a teapot. This problem has been blown up to such an extent that some central authority officials even propose creating a coordinating committee with the participation of power structures. So to speak, Ukraine is in jeopardy. I think that the political Ruthenism does not belong to those problems requiring resolution with forceful methods. It is more important for the Transcarpathian region today to survive and earn its daily bread than fight this movement.

Representatives of our ministry recently held a round-table debate on national minorities. Naturally, nobody from the Ruthenian association was invited. Its leaders raised a hulabaloo. We tried to explain our position to association head Ivan Turyanytsya and his colleagues. But it is impossible to talk with them. It is sheer horror.

[Sochka] **We should not underestimate the idea only because its current advocates perform in such a "comic genre." Let us imagine the following situation: The idea finds its promoter in a man who — for the purpose of achieving some political goals — begins subsidizing political Ruthenism and ousts "comic actors." This is only a prognosis, but should we wait for it to take a serious turn?**

[Churay] Nobody is going to underestimate the course of events in the Transcarpathian region. The problem does exist, and it has its political, economic, ethnic-political, and ethnic-national aspects. We recently prepared several documents on this subject for the National Security Council; a plan of activities on the part of non-power, humanitarian ministries has also been approved. However, one should not push this problem. As far as I am informed, local authorities should keep the course of events under their control.

[Sochka] **Does your Ministry receives information from local authorities?**

[Churay] Yes, as well as from the Foreign Ministry, from its press analyses.

[Sochka] **Do you not think that the political Ruthenism may be convenient to local authorities?**

[Churay] In my opinion.... Well.... (He pauses.) I think that this problem will disappear by itself if Ukraine achieves the same living standard as in neighboring countries.

Belarus

Lukashenka Meets With PRC Premier Li Peng

Minsk To Sell Arms, Trucks to PRC

MK2206124095 Moscow SEGODNYA in Russian 22 Jun 95 p 8

[Report from Minsk by Valentin Zhdanko under the "Visit" rubric: "Belarus Wants To Sell Arms and BelAZ Trucks to China. The Guest From Beijing Will Visit Air Force Base Near Minsk"]

[FBIS Translated Text] PRC State Council Premier Li Peng arrived yesterday in Minsk on an official visit. It is expected that his negotiations with Belarus President Alyaksandr Lukashenka and Prime Minister Mikhail Chyhir will deal largely with problems of cooperation in military technology, since Belarus' leadership hopes to find in China a market for products of its defense industry, which is presently in severe crisis. Li Peng will be taken to the Belarusian defense industry's largest enterprise — the "Agat" optico-mechanical association — and to the air force base near Minsk.

President Lukashenka also intends to invite his guest to the "BelAZ" factory in Zhodino, where heavy mining dump trucks are manufactured. Half a year ago, during his visit to Beijing, the Belarusian leader especially emphasized extensive prospects for cooperation between "BelAZ" and the Chinese partners, but the president's initiative was not furthered. Having lost its sales markets in Russia, "BelAZ" stays either idle or works at half capacity. Lately the situation with sales has become further aggravated also because the dollar exchange rate in Belarus has remained unchanged for half a year now, while inflation has not been curbed. As a result, exporting enterprises, including "BelAZ," have found themselves in an unenviable position.

Today, heads of governments of China and Belarus will sign several final documents, the most important of which is the agreement on cooperation in military technology. On 23 June, Li Peng will leave for Kiev.

Bilateral Agreements Signed

LD2206185895 Minsk Radio Minsk Network in Belarusian 1600 GMT 22 Jun 95

[FBIS Translated Text] The official visit to our republic by PRC State Council Premier Li Peng is drawing to an end. Today the senior Chinese guest had a tete-a-tete conversation with President Alyaksandr Lukashenka, followed by a more extended meeting. Li Peng today laid a wreath to the monument in Victory Square.

Negotiations between Li Peng and Prime Minister Mikhail Chygir have just ended in the government's residence in Minsk with the signing of bilateral agreements between the two states. The two premiers highly praised both the results of the negotiations and the documents that have been signed. This was noted at a briefing after the signing of the important documents.

Lukashenka Assesses Talks

LD2206225795 Moscow INTERFAX in English 1830 GMT 22 Jun 95

[FBIS Transcribed Text] MINSK, June 22 (INTERFAX-West) — Belarusian President Alyaksandr Lukashenka said he was confident that his talks with Premier of the Chinese State Council Li Peng in Minsk today "eased some anxiety of Beijing" which has been marking modern Belarusian-Chinese relations.

Lukashenka told a press conference on the results of the talks that "by his visit Li Peng should give the green light to the treaties already concluded by the two countries," especially the economic ones. He said the talks between Belarus and China, primarily in the area of trade, had been unjustifiably delayed up to now.

During the talks, which were tete-a-tete for the two leaders and then involved the two countries' delegations, Belarus and China agreed to lower tariffs on Belarusian products exported to China.

Lukashenka said he was "pleasantly surprised" at the readiness of Li Peng to trade with Belarus in hard currency. Earlier, nearly all trade operations between the two countries were barter.

Li Peng said China was interested in importing from Belarus Belaz large-capacity quarry dump-trucks and products of the military-industrial complex, including automatic systems for managing troops.

Li Peng held talks with Belarusian Prime Minister Mikhail Chyhir today. As a result of the talks Belarus and China signed a treaty on mutual extradition of criminals.

Belarus and China also signed a protocol on bilateral cultural cooperation on the interdepartmental level.

During his two-day stay in Belarus Li Peng visited one of the closed military enterprises, Agat.

Trade, Investment Agreements Detailed

WS2306082195 Minsk Radio Minsk Network in Belarusian 0700 GMT 23 Jun 95

[FBIS Translated Text] Negotiations between Mikhail Marynich, Belarusian minister of foreign economic relations, and Shi Guangsheng, Chinese vice minister of foreign trade and economic cooperation, were held yesterday within the framework of the visit to Belarus by an official Chinese delegation.

The primary result of this meeting was the signing of a trade and economic agreement establishing most-favored-nation trading status between the two states, as well as an agreement on mutual protection of investments.

According to [word indistinct] agreement, another bilateral agreement will soon be signed — an agreement on avoiding dual taxation.

The Chinese side has reported its issuance of a nonrepayable grant — amounting to some $1 million — to Belarus. China pledges to deliver to the Republic substances for (?medicines) to cure diseases stemming from the Chernobyl catastrophe (?for this amount of money). [passage indistinct]

Lukashenka: Chechens in Budennovsk 'Gangsters'

LD2206222495 Moscow INTERFAX in English 1830 GMT 22 Jun 95

[FBIS Transcribed Text] MINSK, June 22 (INTERFAX-West) — Belarusian President Alyaksandr Lukashenka described last week's events in Budennovsk, Russia, as an act of savagery.

In a news conference in Minsk Thursday he said that the Chechen fighters, who took hostages and killed people who had nothing to do with the war in Chechnya, were gangsters.

Lukashenka said that on the night of the showdown in Budennovsk, Russian Prime Minister Viktor Chernomyrdin telephoned him and they had a talk. He did not elaborate.

Lukashenka said that he was prepared to help to the best of his ability in rescuing the people and that he knew first-hand of the tremendous contribution Chernomyrdin had made to the release of the hostages.

He said that Belarusian law banned the use of servicemen outside the country without parliament's approval, and so not a single soldier or special trooper had been to Budennovsk.

Lukashenka said that he ordered to step up the security around military installations and army depots, increase the police presence on the country's roads and take other measures.

Moldova

Yevnevich on Guarding 14th Army Property

MM2206114995 Moscow IZVESTIYA in Russian 22 Jun 95 p 2

[Article by Svetlana Gamova: "Changes in 14th Army: Now Only Russian Citizens Will Serve Here"]

[FBIS Translated Text] Chisinau — The first thing Major General Valeriy Yevnevich, the operational group commander who has replaced General Lebed in the Dniester region, will do, will be to ensure reliable protection of arms and ammunition. The general told IZVESTIYA correspondent this:

Some 50,000 guns are stored on the territory of the 59th Division. In his words, it is impossible for them to be grabbed and spirited away. In the general's view, the biggest ammunition and equipment store — in the village of Kolbasnoy — is of no interest to either criminal structures or lone hunters. Nevertheless "the services which ensure the security of ammunition will be reinforced even at the expense of other units" in order to avoid provocations or merely any accidents. Air defense forces are continuing to scan the skies over the depots.

Valeriy Yevnevich will tackle the problem of 14th Army property in earnest in the very near future, he told me, since neither Moldova nor Ukraine will allow potentially explosive trains to cross their territory. We will just have to look for an opportunity to dispose of [utilizirovat] the ammunition on the spot. Although this will invariably cause difficulties of an environmental nature.

Soldiers drafted from Russia will guard the depots. Dniester region young people will not now serve in the Russian troops, as before. As for the officer corps, the section whose length of service allows have already filed notice of their discharge into the reserve. As for anyone who does not wish to remain in the Dniester region — and there are a considerable number, Valeriy Yevnevich claims — the defense minister's reserve will fund attempts to find them a new posting in Central Russia.

Army officers have been assured that there will be no settling of scores with them for supporting General Lebed and de facto disobeying an order from the defense minister. Major General Yuriy Popov, the 59th Division commander who has ended his hunger strike, is going back to school at the General Staff Academy, especially since the documents for this had already been prepared beforehand.

Leaders, Russian Generals on Future of 14th Army

AU2206171295 Chisinau INFOTAG in English 1948 GMT 21 Jun 95

[FBIS Transcribed Text] Chisinau, 21 June (INFOTAG) — Moldovan President Mircea Snegur, Parliament Chairman Petru Lucinschi, and Prime Minister Andrei Sangheli today received Russian Deputy Minister of Defense Col. Gen. Constantin Kobets and the new commander of the Russian group of troops in Dniester Major General Valery Yevnevich, who replaced Alexander Lebed after downgrading the 14th Army status.

President Snegur welcomed Moscow's initiative to discuss the state of things in the Dniester-deployed Russian troops, and expressed hope that the troops will be removed promptly, on the basis of good will shown by both sides, and in conformity with an agreement signed between the two prime ministers.

As Snegur said, this question will be discussed during his June 28 meeting with President Boris Yeltsin, and stressed that the huge weaponry arsenal on the left bank of the river should be removed or annihilated without any damage to environment and without letting it into the hands of destructive forces.

General Kobets has stated that the weapons and personnel shall be withdrawn duly and without listening to any political or other forces insisting on passing the weaponry to separatist forces.

Mircea Snegur has pointed out that an initiative to grant a special legal status to the eastern Moldovan areas had been displayed by the republic's constitutional authorities, and Chisinau will manifest all patience and tolerance in an environment when certain political forces are seeking to destabilize the situation. The meeting was attended by the Russian ambassador to Moldova, Alexander Papkin.

Constantin Kobets said to journalists later that the Moldovan-Russian Army Withdrawal Agreement shall be fulfilled, and the evacuation of the army weaponry and ammunition shall be begun in near future.

Lebed, New 14th Army Commander Discuss Reform

AU2206183695 Chisinau INFOTAG in English 1948 GMT 21 Jun 95

[FBIS Transcribed Text] Tiraspol, 21 June (INFOTAG) — The former Commander of the Russian 14th Army Lieutenant General Alexander Lebed and the new chief of operative command of the Russian troops in Dniester Major General Valery Yevnevich today signed a protocol on handing in and taking over the command over the Dniester-deployed Russian troops.

Since today, all structures of the 14th Army have ceased their existence, and the day marks the beginning of realization of the Russian Defense Ministry's decision to reform the structures. The reform envisages, in particular, cutting the number of commanding officers by over two-fold. That has been exactly the reason of the officers' discontent. However, General Yevnevich assured they would be socially provided for, and officers subject to reduction should be offered new appointments in Russia. Right after taking office, Valery Yevnevich met with Igor Smirnov, president of the secessionist Dniester Republic, with local parliament deputies and region's administration officials. He stressed that army structures are being reduced, but the troops to remain in the region so far shall provide for the arsenal's safety — until the weapons are evacuated to Russia in conformity with political decisions yet to follow.

Answering a question of the radically minded Deputy Boris Akulov about "what will happen to the remnants of the 14th Army?", the general replied, "There are no remnants. There is a combat unit of the Armed Forces of the Russian Federation which shall preserve its combat efficiency and shall continue to fulfill its missions set by the Russian Defense Ministry".

The new chief has emphasized that "the 14th Army property is the property of the Russian Federation, and the troops shall be cutting all attempts to plunder it, no matter who ventures to encroach on it".

It was found out during the meeting that Yevnevich served in Afghanistan under the command of Major General Stepan Kitsak, the current military adviser of the Dniester president. In this connection, Yevnevich expressed the hope that he will find understanding in the Dniester administration which will allow no confrontation around the Russian weaponry arsenal.

As our Tiraspol sources have reported, the Dniester administration is definitely happy to have Lebed dismissed. However, the authorities show no particular enthusiasm about the appointment of Valery Yevnevich who has stated his firm resoluteness to keep the arsenal intact.

Yevnevich: No Orders Received Yet to Withdraw

LD2306101195 Moscow Russian Public Television First Channel Network in Russian 0800 GMT 23 Jun 95

[Report over video by correspondent Yuriy Selivanov; from the "Novosti" newscast]

[FBIS Translated Text] We were able to see for ourselves at the headquarters of the group of Russian troops in the Dniester region that the rumors about the withdrawal of weapons starting today clearly proved to be exaggerated. The opinion of commander General Valeriy Yevnevich on all this is clear: Until there is a definite mechanism for the withdrawal of troops and arms there is no point in speaking about any practical steps in this direction — for the time being. [video shows correspondent interviewing Yevnevich]

[Begin recording] [Selivanov] Did I understand you correctly that no tested mechanism for the withdrawal of the 14th Army and its weapons exists at the moment?

[Yevnevich] Well, you have to understand that the mechanism and the means for testing it are not within my competence. I am an army man, an officer, and I only respond to orders. When there is an order, an appropriate document, then we will carry it out. At the moment I have no such document. That is all I can say at present. [end recording]

At this time the basic documents setting out the procedure for the withdrawal of Russian troops from the Dniester region are still at the stage of being agreed on, and a final decision on this issue may be made during the Russian-Moldovan summit meeting which has been fixed for the end of June. Meanwhile, the Dniester leadership continues to insist that no decision on the fate of the 14th Army's arms will be sufficiently realistic unless it takes into account the interests of the population of the region which numbers 700,000. [video shows troops carrying rifles, sitting on tanks]

Kazakhstan

Defense Department's Carter Briefs Press

MM2206135095 Moscow KRASNAYA ZVEZDA in Russian 21 Jun 95 p 3

[Report by Anatolkiy Ladin: "Kazakhstan To Receive U.S. Cutters"]

[FBIS Translated Text] Almaty — Ashton Carter, U.S. assistant secretary of defense for international security policy, held a news conference when visiting Almaty. He reported that during his current trip he intends to visit all Central Asian states. But at the same time he stressed that the U.S. military department had established good cooperation only with Kazakhstan.

Arguing his case, Carter cited the session of the U.S.-Kazakhstani bilateral working group that had taken place, in which Lieutenant General Alibek Kasymov, Kazakhstani deputy defense minister and chief of the General Staff, had participated. A wide range of problems was discussed during the exchange of opinions. Mention was made of using U.S. experience in the process of reforming the structure of the military forces inherited from the Soviet Union. It could come in useful when Kazakhstan sets up a Coast Guard in the Caspian Sea. To this end the U.S. side is offering several cutters and will train personnel.

Carter noted with satisfaction the importance of the participation of Kazakhstan and other states of the region in the Partnership for Peace program, which in his opinion has a Eurasian character.

Carter reported that Kazakhstani observers will be attending exercises in Louisiana this August. He also said that Army General Sagadat Nurmagambetov, Republic of Kazakhstan defense minister, is expected to visit his country in the near future.

Nazarbayev Arrives in Jakarta on Visit

LD2206172595 Moscow ITAR-TASS in English 1330 GMT 22 Jun 95

[By Andrey Bychkov]

[FBIS Transcribed Text] JAKARTA, June 22 (ITAR-TASS) — Kazakhstan's President Nursultan Nazarbayev arrived in Jakarta on Thursday.

The main goal of the visit is to strengthen and develop ties between the two states in the political and economic spheres, an Indonesian foreign ministry official told ITAR-TASS Wednesday.

The Indonesian and Kazakh presidents will discuss international issues, including the situation in the Balkans and contribution of Jakarta and Almaty to the search for ways of peaceful settlement in Bosnia-Herzegovina. Indonesia has proposed holding an international peace conference on Bosnia.

Jakarta is developing ties with the former Soviet republics in Central Asia. President Suharto visited Kazakhstan, Turkmenistan and Uzbekistan last April and last month Indonesia established diplomatic relations with Tajikistan.

Foreign Involvement in Major Industry Seen

954F2572A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 16 Jun 95 p 2

[Articles by Andrey Zhdanov, KAZAKHSTANSKAYA PRAVDA, and Oleg Kim, KAZAKHSTANSKAYA PRAVDA, under the general title: "Transfer of Leading Enterprises of Kazakhstan to the Management of Foreign Firms: Peak Hours"]

[FBIS Translated Text] **Andrey Zhdanov: The Head of a Private Firm Accuses High Government Bureaucrats of 'Torpedoing' the President's Policy...**

On 14 June B. Abilov, manager of the private firm Butya, held a news conference in Almaty in connection with the events at the Karaganda Metallurgical Combine and surrounding it, which resulted from the transfer of the enterprise to the management of the Kazakhstan-Austrian enterprise Fest-Alpine-Kazakhstan, of which Butya is one of the founders. Abilov's advisers in the Novoye pokoleniye movement also participated in the news conference.

Before the news conference journalists were given copies of about 30 documents pertaining to the upheavals surrounding the Karmet [Karaganda Metallurgical Combine]. On 19 May of this year Fest-Alpine-Kazakhstan and the State Committee of the Republic of Kazakhstan on the Administration of State Property concluded an agreement to transfer complete control of the Karmetkombinat to the joint venture. According to the document, the joint venture became a management company consisting of Fest-Alpine-Intertrading (Austria), Hatch (Canada), and Butya (Kazakhstan).

Fest-Alpine-Intertrading (FAIT) is a state company and is a part of the largest holding company in Austria—Fest-Alpine. Hatch is an international class consulting firm on technical issues and management.

By 23 May the agreement to transfer administration was backed up by a decree, an understanding of the State Committee on the Administration of State Property, and other documents. The only thing lacking was the corresponding government decree.

First Deputy Prime Minister of the Republic of Kazakhstan V. Mette, in B. Abilov's words, demanded confirmation of FAIT's credentials from Austria. On 24 May it arrived from the city of Linz, addressed to the prime minister over the signature of Dr. V. Haydenhalter, chairman of the supervisory council of Fest-Alpine-Stahl. But V. Mette continued to insist on additional guarantees of the reliability of the Austrian partner, letting it be understood that better managers could be found. As a result, the Butya firm itself, according to the assertion of its manager, preferred to conduct a tender, although from a formal standpoint there was hardly a need for it.

It took place on 3 June and was the first tender for the transfer of a domestic enterprise to the control of a company that included the participation of foreign capital—the Pavlodar Aluminum Plant, the Sokolovsko-Sarbayskoye ore-enriching association, the Donskoy ore-enriching combine, and the Yermakovskiy ferrous alloy plant, as we know, were transferred to the control of 100-percent foreign firms—Uaytsven, [as transliterated] Ltd., Ayvedon [as transliterated], and Japan Chrome Corporation on a noncompetitive basis.

The tender commission, chaired V. Mette, included Deputy Prime Minister V. Sobolev, Deputy Chairman of the Board of the National Bank of the Republic of Kazakhstan G. Marchenko, Ministers G. Shtoyk and A. Tleuberdin, and the leaders of the State Committee on Privatization and the State Committee on the Administration of State Property, E. Utepov and S. Kalmurzayev.

In B. Abilov's words, among the candidates for administration of the Karmetkombinat were groups of companies acting on behalf of British Steel, as well as other firms that are fairly well known in the world, including a group called the "Eisenberg group" at the news conference. In Russian transliteration, its abbreviation looks like GYuSM (Group of United Steel Management), which includes companies registered in the United States and Panama, and also the firm Kazinvest-consulting, with a legal address in Almaty. According to statements of those who arranged the news conference, V. Mette was in favor of this group. Nonetheless, the tender commission as a whole, after several hours of debates, arrived at a different opinion. Even V. Mette himself mentioned the name of the winner of the tender—the Fest-Alpine-Kazakhstan joint venture.

Nonetheless, on 5 June V. Mette sent an inquiry to the president of Fest-Alpine-Intertrading, K. Mistlberger, requesting that he "confirm with a bank guarantee the firm's capability of raising $40 million by June 1995," and he also asked the chairman of the board of the National Bank of the Republic of Kazakhstan, D. Sembayev, to express his viewpoint. On 6 June K. Mistlberger and on 7 June D. Sembayev, the joint-stock Austrian Bank, and Kreditanstilt [as transliterated] Bankverrein confirmed that Fest-Alpine-Intertrading was could raise and submit the aforementioned sum.

Moreover, K. Mistlberger contacted A. Kazhegeldin on 6 June: "After the decision of the tender commission, representatives of the management firm went to Temirtau to begin work on the project. But, unfortunately, they found out there that without an edict from the Cabinet of Ministers, that is, without a legal base, it was impossible for the management firm to work productively. The new condition that was imposed of a bank guarantee in the amount of $40 million... is unacceptable to FAIT until we see the results of the audit of the actual financial position of Karmet and we have a concrete picture of the actual risk...."

On 8 June Deputy Minister of Industry and Trade of the Republic of Kazakhstan M. Murtazayev, referring to the critical condition of the operation of Karmet because of the lack of coking coal and the verbal instruction from V. Mette, sent to Temirtau to the authorized representative from the joint venture M. Dzhakishev and the combine's general director S. Donskoy an order to actually suspend the agreement for transfer of control until a special order was received from the government.

In Mr. Dzhakishev's words, the situation with coke at Karmet really was critical. The circumstances of our first payment of Karmet's debts in the amount of $1.5 million, Dzhakishev said at the news conference, were as follows: The commercial director came to me and said that there was only enough coke left for three hours of operation, that the entrance to the mine had been closed off by steam engines and the OMON [special-purpose police detachment] and management had come there; I went there and saw women and children sitting on the rails, and behind their backs were workers carrying crowbars, the OMON stood between the people and the leaders, and none of the leaders would come close because they were afraid that something would happen, and I was forced to go and promise the people their wages; we counted out the money—the coal arrived an hour before the possible shutdown of the coke batteries.

On 9 June K. Mistlberger again wrote to Prime Minister of the Republic of Kazakhstan Akezhan Kazhegeldin: "The current situation at Karmet is critical.... The decree of the Cabinet of Ministers confirming the decision of the tender commission concerning the transfer of control of Fest-Alpine-Kazakhstan was not signed, and we are not able to help Karmet at this critical time because our contract is not valid."

In M. Dzhakishev's opinion, there is something to check on at Karmet: The reports and accounts are extremely confused, the enterprise has at least three bookkeeping offices and several accounts. As was pointed out in one of the documents of the management company, before it came, up to 90 percent of the operations involving barter deliveries did not go through the combine's settlement account, which made it difficult to monitor the delivery and made it impossible to accumulate taxable monetary funds in the enterprise's account.

What did V. Mette like about the "Eisenberg group"? Among the documents offered for the journalists' attention was a copy of the draft contract for the administration of Karmet by this group, which was reviewed at the request of the joint venture by the Union of Jurists of the Business World of Kazakhstan. Point 2.6 proposes pursuing a price policy based on the prices of the London Metal Exchange. The reviewers drew attention to the fact that only nonferrous metals are quoted on the London Metal Exchange, even though this pertains to a producer of ferrous metals. Points 3.1.1 and 3.1.2 stipulate the amount of remuneration for the management company, the status to which the "Eisenbergers" are laying claim: During the first two years of the project—1.5 percent of the overall revenues for the quarter, but no more than $12 million per year, and after that—5 percent of the net profit quarterly, but no less than $10 million a year. In the opinion of the authors of the review, in the former case the results of the labor of the management company will not depend on the effectiveness of the operation of the enterprise, and in the latter—the managers will be able to live well even if the enterprise is operating at a loss. For comparison: In the agreement for management of Karmetkombinat between Fest-Alpine-Kazakhstan and the State Committee of the Republic of Kazakhstan on the Administration of State Property the joint venture claims 5 percent of the profit quarterly without additional stipulations.

In the presentation the essence of B. Abilov's claim against the state bureaucrats from the high echelons of power (meaning V. Mette) was expressed in the following passage: Our president supports domestic business and we have supported his policy, but today this policy is being "torpedoed" by state bureaucrats, who assume that if "I have given I can also take away." Those who arranged the news conference also announced their intentions to begin to resolve the conflicts judicially through international arbitration. Additionally, an appeal to N. Nazarbayev in the lofty, dramatic style traditional of the "new generation" was also voiced at the news conference.

Oleg Kim: ...And They Accuse the "Good Guys" of Ignorance of Metallurgy

The official government opinion of the situation surrounding Karmetkombinat was heard at the news conference held on 14 June in the Cabinet of Ministers of the Republic of Kazakhstan. Clarifications were presented to the journalists by First Deputy Prime Minister of the Republic of Kazakhstan Vitaliy Mette, Minister of Industry and Trade Garri Shtoyk, Chairman of the State Committee of the Republic of Kazakhstan on the Administration of State Property Sarybay Kalmurzayev, and General Director of the Karaganda Metallurgical Combine Semen Donskoy. We offer an excerpt from the discussion that occurred, which will make it possible to partially clarify the essence of the conflict that arose.

[Vitaliy Mette] Frankly, from the very beginning I had grave misgivings about the work proceeding normally. When the management of the combine changed, certain conditions were imposed, and these were stipulated in the contract. The firm that took over management of the enterprise was to have begun to supplement working capital on the first day, so that the combine could continue to operate normally. From 23 May through 8 June, Karmet was under the management of Fest-Alpine-Kazakhstan. The first thing they did was to dispatch finished products from the warehouse. During this period a total of $16 million worth were shipped.

A critical situation developed because of this. Karugol refused to send fuel without payment. I had to intervene because in 1993 there was a situation in which the coal actually stopped being delivered to Karmetkombinat. And if the coke batteries are not loaded on time, the temperature in them drops and they are destroyed. Because of this, in 1993 the combine ended up in a critical situation, and it is still unable to emerge from it because the repair of each battery costs $50 million, but the main thing is a half year of operation. And if we had allowed the coke battery to be destroyed, there would have been a big question about the operation of the combine.

In the commission last week, we considered this question and imposed a condition: either begin to supplement the working capital or provide a bank guarantee that the firm's account contains the reserved $40 million which it is obliged to turn over in June to supplement the working capital. In response, we received from two banks letters to the effect that Fest-Alpine has a good reputation and that in principle it is able to borrow a total of up to $500 million. But nobody has approved the 40 million we requested for June.

Because of the fact that the finished products were shipped from the warehouse without payment and were sent to Intermetall, Fest-Alpine, Butt-Impex and other firms, it was necessary to call a halt to this work and remove the firm from this administration. We warned the firm: If you want to work, begin the transfers, show that you can support the operation of the combine. I think the government was right to make such a decision.

The company alone was not in a position to make such large investments. Karmetkombinat had $300 million in debts alone and another 100 was needed to supplement working capital. But, after all, in addition it was necessary to have a minimum of $1 billion for all the reconstruction in order to bring its products up to the world level and make it liquid. But it must be understood what the combine can do today and what volumes it can handle. If tin plate is called a liquid product, this is one-twentieth of all the products of Karmetkombinat. Therefore, it cannot survive on tin plate alone, and it is necessary to have a principally new structure of steel and continuous smelting of it, and this means $600 million. It is necessary to recover the exhaust gases from the coke battery—and this means another 150-200 million. When everything is realistically counted up, it turns out that the combine must be turned over to the administration for a minimum of 10 years. It is impossible to return the investment in five years.

[Garri Shtoyk] While these debates were going on, the products were still being intensively shipped. Before being turned over for administration, the combine, with debts amounting to $286 million, dispatched some of its products in the form of technical barter for coal, for the delivery of the corresponding batching items, etc. From 21 May through 9 June, no products were available for barter. This led to a situation where all deliveries to the combine were halted.

I met with Mr. Abilov the night before the tender commission meeting and told him that the shutdown of Karmetkombinat could cause colossal losses and affect the fate of the city of Temirtau. I was assured that everything would be all right, that the deliveries would be made, but an inspection at the site showed that these were only words. Then they expressed to me their fears about the fact that there were no full government guarantees in the form of a decree from the Cabinet of Ministers. I asked: If you are not sure that the combine will be turned over, why are you so confidently disposing of the products?

[Semen Donskoy] The combine's economic situation is very difficult, and it has almost $300 million in debts. The combine is able to function, but it has no working capital, it has large debts to the budget, and it has no money to buy raw material. Unfortunately, the Fest-Alpine-Kazakhstan joint venture did not bring any money and began first to pay on its own debts and guarantees. Having taken approximately $8.5 million worth of metal, they contributed less than 3.5 million for coal. The management firm violated the whole system for dispatching products, and just during these two weeks we have sustained hundreds of millions of tenge worth of losses. Deliveries of raw material from the Sokolovskiy ore-enriching combine and Lisakovka have stopped completely, and coal deliveries have been cut in half. The administration has amounted to the distribution of metal.

The people who have come here are good guys but, unfortunately, they know nothing about metallurgy. The situation in the collective is very tense, no promises to pay wages have been forthcoming, and the people have a clearly negative attitude toward what has happened.

Turkmenistan

Moldovan Deputy Premier on Trade Prospects

LD2106192995 Ashgabat VECHERNIY ASHGABAT in Russian 12 Jun 95 p 1

[Article: "Turkmenistan and Moldova plan to cooperate using free-trade principles"]

[FBIS Translated Text] Ashgabat, 9 June (TURKMEN PRESS) — Negotiations between the government delegations of Turkmenistan and the Republic of Moldova were held in Ashgabat on 12 June. The visit by the Moldovan delegation, led by Deputy Prime Minister Valentin Cunev, is aimed at developing bilateral trade and economic relations. The heads of the Ministry of Material Resources, the Moldovcontract corporation, the Central Bank, and other large entrepreneurial organizations represented the Republic of Moldova at the negotiations. "We and our Turkmen colleagues discussed problems relating to economic cooperation," Deputy Prime Minister Cunev said in an interview for TURKMEN PRESS.

"A free trade agreement was signed by our countries in December 1993. We have now checked the clauses of this document, which will be submitted for ratification by the parliaments of the two countries. Turkmen-Moldovan trade and economic relations will develop purely on the basis of mutual benefit.

"I am sure that our countries have large reserves for increasing bilateral trade. Moldova has great potential in foodstuffs, mechanical engineering, light industry, electronics, and consumer goods. The free trade system is on most-favored status terms and it removes the barriers standing in the way of goods transportation.

"In turn, Moldova is interested in buying Turkmen cotton, oil products, gas, raw materials for the medical industry, and agricultural products. I am sure that the proportion of manufactured goods in Turkmenistan's total exports to Moldova will increase in the near future. It is impressive that Turkmenistan is actively intensifying the volume of industrial processing."

A protocol of mutual obligations was signed at the end of the meeting. The possibility of cooperation in selling Turkmen gas to the West was also discussed.

Presidential Edict Orders Pay Raises, Tax Breaks

LD2306090295 Ashgabat TURKMEN PRESS in Russian 1800 GMT 21 Jun 95

[Unattributed report: "Turkmen president passes a package of edicts and resolutions on tax and budget issues"]

[FBIS Translated Text] From 1 July 1995, by edict of the Turkmen president, wages for workers of budget organizations and enterprises are increased 150 percent and pensions and student grants 100 percent. Managers of enterprises under all forms of ownership are instructed to introduce new salaries for their workers taking into account the results of their economic activities and the incomes which enterprises have at their disposal from the sale of goods and services. This presidential instruction is based on the increased level of enterprises' incomes and on Turkmenistan's current budget potential.

The Cabinet of Ministers reports that the total volume of industrial and agricultural production in the country increased by 16 percent since the beginning of the year. Enterprise profits amounted to 12 billion manats, which is a tenfold increase on the same period last year (January-April 1994).

The Turkmen president issued a resolution approving the state budget for the second half and the third quarter of 1995 (which was earlier approved by parliament and amended by the Cabinet of Ministers taking into account changes in economic dynamics). The approved budget envisions a balance between revenues and expenditures. The budget deficit is not to exceed 1.5 percent of gross domestic product. As in previous years, the budget has a clear social orientation — almost 60 percent of it will go toward financing education, public health, and social benefits and to make up the differences in the prices of food products and medicines which are subsidized by the state.

The Turkmen president issued an edict simplifying taxation for small enterprises. From now on, a single type of tax on net profits, set at 30 percent, is established for all small enterprises. All other types of tax on small enterprises which have existed so far are abolished.

This preferential term will reduce their payments to the budget by 40 percent and allow about 200 million manats to remain in the hands of the almost 7,000 Turkmen enterprises in the nonstate sector within the period of one quarter year. In addition, abolition of the majority of taxes on small enterprises considerably simplifies the system of mutual payments, eliminates the need to maintain a cumbersome book-keeping network, and is an addition to the various means of support for private enterprise in Turkmenistan.

[Signed] The foreign political information department of the Turkmen Ministry of Foreign Affairs

Armenia

Opposition Besieges Leadership Residences

LD2206181695 Moscow NTV in Russian 1500 GMT 22 Jun 95

[FBIS Translated Text] In Yerevan, interior troops are being station around the residence of Armenia's top leaders. Government opponents are besieging the residences, demanding that their parliamentary candidates should also be registered. Twelve days before the elections, the republic is facing a serious political crisis.

[Correspondent Dmitriy Pisarenko] Around 10 people were taken to hospital yesterday following the clashes in Yerevan city center between protesters from the opposition electoral bloc and supporters of the pro-government coalition.

In the beginning of June, after the Central Electoral Committee denied registration to the National Progress Party and the Constitutional Right Alliance parliamentaries to participate in the 5 July elections, 10 Armenian opposition parties united around the slogan: Cooperation in the name of justice. The leaders of the bloc, which includes mainly former allies of the president, put forward an ultimatum to the effect that the decision of the Central Electoral Committee should be rescinded. As the authorities remained silent, the opposition began a siege of Ter-Petrosyan's residence. The protesters also burned a stuffed figure of the president.

Appeals for a revolution suddenly gave way to the decision to create an alternative body of power and to take control of the situation in the republic through civil disobedience, in the same way it was used against the communists. The Theater Square was chosen as the headquarters, just as in 1988.

Yesterday, protestors began moving up to the square, as the fighters of the Republican party — which is in the electoral bloc with the ruling Armenian Pan-National Movement Party — was holding its rally there. The bloc of 10 are now saying that it was the fighters who provoked the clash.

At their news conference today, the leaders of the opposition said that this action had been carefully planned by the authorities.

The pre-election situation appears to have reached its boiling point in Armenia.

Manukyan Holds News Briefing 20 Jun

NC2306080895 Yerevan NOYAN TAPAN in English 0839 GMT 21 Jun 95

[FBIS Transcribed Text] 21/06/95 NOYAN TAPAN—"The current unification of the opposition is in large part artificial because the parties which are being united belong to completely opposite political camps of Armenia, and they unite only on basis of political and economic programs, but not on basis of necessity of conducting free democratic elections. The artificial unification was caused by illegal activities of Central Electoral Commission and the Republic's leadership who prevent organization of free and fair elections." This was claimed on June 20 press-conference by Chairman of National Democratic Union, former Prime Minister of Armenia Vazgen Manukyan.

According to him, the opposition aspires change of the Government, but only by means of free elections.

Manukyan said that on June 19 when the Union was visiting Erebuni district of Yerevan, the law-enforcement agencies tried to stop their rally and provoke a conflict. However, they failed to obtain their goals. A similar interference was observed during the Union's rally in Ieghegnadzor in middle June.

Speaking about himself, Manukyan said that regardless of the position he will occupy in the governing structures or those of the opposition, he will be consistent in implementation of his political program on strengthening independence and security of Armenia. He underlined that he will never give up this principle and only a bullet can stop him.

Manukyan Cited on Continued Seige

NC2306075995 Yerevan SNARK in English 0739 GMT 22 Jun 95

[FBIS Transcribed Text] Yerevan, JUNE 22 (SNARK)—Freedom Square at the foot of Opera House in Yerevan will become the residence of 'People's Government' in Armenia. The statement was made last night by opposition parties at a meeting near the President's residence besieged during two days by several thousand people.

"Capture of President's Palace doesn't represent any special difficulty, but in case of attack the authorities would be able to charge the opposition in violation of law", said the Former Prime Minister Vazgen Manukyan, now the leader of National Democratic Union. "Therefore, he said, we opt the way of a long struggle by constitutional methods and creation of a second, popular government in Armenia".

Reminding that this way has brought the people to victory in 1988, the former Karabakh Committee member stated that all enterprises, organizations and unions of population should obey the newly established government.

Opposition leaders promised to publish on these days the document on formation of the new power.

Opposition Alliance Meets

NC2306072895 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0841 GMT 22 Jun 95

[FBIS Transcribed Text] Yerevan ("Azg" daily) 06/22/95—A meeting of opposition alliance was held in front of the presidential palace yesterday [21 June].

The opposition made an ultimatum to the President on June 20, demanding to register their deputies and postpone the elections.

"We could have occupied the presidential palace on June 20, but we would then have resulted in occupying an empty building, and nothing more. Also, this would have been an illegal action. Now, the only civilized way of struggle for us would be declaration of diarchy", said former Prime Minister, now leader of opposition National Democratic Union opposition party Vazgen Manukyan.

Following the appeal of leaders, over 15 thousand participants of the meeting moved in the direction of Freedom Square, where they planned to "call the first session" of the Republic's second power. Meanwhile, a "meeting" called by the manager of "Hrazdan" fair Ashot Aghababyan, with participation of — groups, has started in the Freedom Square at 6pm. When the participants of opposition rally entered the square, fighting with the participants of the meeting has started, followed by firing of the — groups. Several leaders of the opposition were wounded, among them Vahan Hovhannesyan, Davit Vardanyan and several members of the National Self-Determination Union.

President's Press Secretary Warns Opposition

NC2206181995 Yerevan Armenia's Radio First Program Network in Armenian 1300 GMT 22 Jun 95

[FBIS Translated Text] The press today publishes a statement by Levon Zurabyan, acting press secretary of the Armenian president, the full text of which I now bring to your attention. It says:

Being at odds with the decisions of the Central Electoral Commission and supreme and district courts regarding the election process, a number of parties of the radical opposition have been trying of late, by disrupting public order, to pressure the Armenian authorities into reconsidering those decisions. The demonstrators' unauthorized march on the president's residence blocked Yerevan's Bagramyan Avenue, thus disrupting traffic and disturbing public order. Marchers committed aggressive actions against reporters and passers by; as a result, the Republican Prosecutor's Office has instituted criminal proceedings.

Armenian law provides that the Central Electoral Commission of the Supreme Council and the Supreme Court are the ultimate bodies for resolving any disputes arising during the elections.

The radical opposition's refusal to recognize the authority of these organs means they reject the sole mechanism regulating the election process; this is tantamount to refusing to acknowledge the constitutional provision for the legal election of organs of authority.

Levon Zurabyan's statement goes on: This attitude of the radical opposition shows that it is not ready to accept the judgment of the people in electing the legislative organs, or their judgment of its own credibility. It anticipates defeat, and thus is trying to undermine the legal election process by disrupting public order on the eve of the elections. The radical opposition is thereby once again showing its contempt for democratic values and the people.

The leaders of the radical opposition must renounce the provocative tactics and illegal actions, otherwise they will be called to account by the law, Levon Zurabyan's statement concludes.

Parliamentary Speaker Criticizes Opposition

NC2206210995 Yerevan Radio Yerevan International Service in Armenian 1800 GMT 22 Jun 95

[FBIS Translated Text] Chairman of the Armenian Supreme Council Babken Ararktsyan met with the heads of the [word indistinct] diplomatic missions and representatives of the international organizations at the government's guest house on 21 June.

The Supreme Council press service reports that the meeting was devoted to the upcoming parliamentary elections and referendum on the Constitution.

Thanking the foreign diplomats for taking part in the meeting, the chairman of the Armenian parliament considered it necessary to refer once more to the preparatory work, organizational matters, and rigorous election campaign that have prepared for the upcoming parliamentary election.

Explaining general developments regarding the parliamentary elections and the referendum on the constitution, Chairman of Supreme Council Babken Ararktsyan also touched upon the latest developments taking place in Yerevan. Noting sadly that some political forces are taking a contrary attitude toward the democratic processes in connection with the upcoming elections and referendum on the constitution, he said the disturbances in recent days resulting from opposition demonstrators are incompatible with the laws in the republic. Babken Ararktsyan informed them that the republic's prosecutor general has instituted criminal proceedings in this connection under Articles 65 and 206 of the Armenian Criminal Code. We will be exceedingly patient but if need be we will display resolve, stressed the chairman of the Supreme Council.

Army Ordered 'Not To Meddle' in Demonstration

NC2306144195 Yerevan SNARK in English
1709 GMT 22 Jun 95

[FBIS Transcribed Text] Yerevan, June 22 (SNARK)—Vazgen Manukyan, ex-Defense Minister and current leader of the National-Democratic Union, referring to his telephone conversation with Mikayel Harutyunyan, Acting Defense Minister and head of the General Staff, stated at today's rally in Yerevan that the Armenian army has been ordered not to meddle in the confrontation between the opposition and authorities.

According to Manukyan, Harutyunyan told him that the Defense Ministry is investigating the activity of Deputy Defense Ministry Alik [Astuatsadur] Petrosyan who was involved in the clash between the opposition partisans and the Board of the regional guarding units on the evening of June 21.

The opposition will hold its next rally in the Opera square on the evening of June 23.

Opposition Accused of Following Russian Orders

NC2306142995 Yerevan SNARK in English
1634 GMT 22 Jun 95

[FBIS Transcribed Text] Yerevan, June 22 (SNARK)—Ashot Navasardyan, leader of the Armenian Republican Party (ARP) which is a part of the "Respublica" pro-governmental bloc, stated at today's press conference that the opposition's activity is aimed at disrupting the July 5 parliamentary elections and Constitution referendum, and, eventually, at destabilizing the political situation in Armenia.

According to him, Armenia's opposition parties are following instructions of certain Russian political forces including Arkadiy Volskiy, Gennadiy Zuganov, and Vladimir Zhirinovskiy, who desire to see Armenia as a close confederative or federative ally of Russia. Navasardyan believes that Armenia would lose its independence and sovereignty if agrees on this kind of integration with Russia. He said that just for this reason ARP rejected a proposal made by Ashot Manucharyan, President's former chief adviser on National Security issues. A year ago Manucharyan offered ARP to cooperate in order to arrange the situation in Armenia by the time the mentioned political forces come to power in Russia.

Communists Agree To United Actions by Opposition

NC2306084895 Yerevan SNARK in English
1046 GMT 21 Jun 95

[FBIS Transcribed Text] Yerevan, June 21 (SNARK) — Considering the tense situation in Armenia just before the elections to the Parliament, the Bureau of the Armenian Communist Party's Central Committee stated today that they will not allow themselves to get pulled into political games.

The Communists released a document stating their acceptance of the opposition parties' proposal uniting the monitoring efforts of the election and parliamentary campaigns, preventing falsifications and abuses, thus providing free elections. The Communists like other opposition parties will vote against the draft Constitution.

The document emphasizes that their unification with other opposition parties in the name of justice does not negate the essential ideological and political differences between them. The Armenian Communist Party is not a part of any other political structure and always makes its own decisions.

Opposition to President Runs High Before Elections

MK2306053095 Moscow KOMMERSANT-DAILY in Russian 22 Jun 95 p 4

[Report by Svetlana Sukhova: "Situation in Armenia. Opposition Demonstrates Power"]

[FBIS Translated Text] A standoff between authorities is characteristic not just of Russia. A serious political conflict is in its fifth day in Armenia. Since yesterday, a 50,000-strong crowd has been in control of all approaches to the presidential palace. The protesters demand that Levon Ter-Petrosyan grant "equal chances" to all political forces in preparing for and holding the parliamentary elections on 5 July. The president is not in the palace.

On 16 June, 10 opposition parties that formed an electoral bloc urged the president to have candidates for deputy seats registered once again within five days. The fact is that many opposition candidates had not been registered — the authorities accused them of signature juggling. The opposition also suggested that the authorities move back the voting date so that everybody could prepare for the elections "in equal conditions." Besides, the protesters want the same possibilities to avail themselves of the mass media as the ruling party has. All attempts by the Armenian leadership to force the opposition to compromise have failed. According to Vazgen Manukyan, head of the National Democratic Union, despite the obviously artificial nature of the opposition parties' alliance, none of them is going to agree to separate talks with the party of power.

Waiting for five days, during which protest meetings were going on unabated in Yerevan, the opposition launched actions on an even bigger scale: on the night of 20 June, a 25,000-strong crowd gathered outside the presidential palace. The number of protesters doubled in the afternoon. Heard throughout the night on Teatralnaya Square was the singing of old Armenian and Dashnak patriotic songs.

In the morning the singing was interrupted by a megaphoned voice demanding that the roadway be freed. The protesters remained seated in the expectation of a presidential reply. Throughout the day, the authorities were sending to them negotiators and truckloads of bread while at the same time Ministry of Internal Affairs troops were converging on the square.

In the meantime, political forces in the republic continue to draw lines between themselves. In particular, the Communist party of Armenia has stated that it is not going to let itself become drawn into "political gambles." Despite its differences with the opposition, however, it will support the protesters so as to secure a "free expression of the will" of the people in the elections and to say "no" to the draft constitution that was put to a referendum.

Party Chairman on Aykandukht Problems

954F2568A Yerevan VREMYA in Russian 14 Jun 95 p 3

[Interview with Armenui Kazaryan, chairwoman of the Aykandukht Party, by Naira Manucharova; place and date not given: "'My Forebears Were Not Deputies'"]

[FBIS Translated Text] "The justification of the Central Electoral Commission that Aykandukht dropped out of the preelection campaign because it was unable to collect the necessary number of voter signatures is a bluff," said the chairwoman of the party, Armenui Kazaryan, over the telephone, and there and then she expressed a desire to meet and to recount everything as it happened.

[Kazaryan] I will start with the fact that during the process of collecting signatures pressure was continuously brought on me. The candidate who went under the number 28 and his relations (when the time comes, I will give their names) demanded that I put him at the beginning of the list, and they even offered a bribe to people to whose places they were aspiring. I refused, saying that it was improper for a man to hide behind a woman's skirt. They hinted at their ties to the ruling group. Nevertheless, although this did get on my nerves, we collected the signatures in time, and all of the documentation was in order.

And so on 25 May, on the day the period for document submission expired, I set off for the Central Electoral Commission. I will say that it was almost never possible to get into the building without delays. And on that day I was permitted to enter with difficulty, but authorized representatives were still not given permission to enter. With 23 books of signatures in my bag, I came to R. Manukyan, the secretary of the Central Electoral Commission (Monarchists and Women of the Country of Armenia were there then), and I told him to phone the guards to let the representatives in. He advised me to go myself to the militia and tell them to call up the Central Electoral Commission. I went out, but they did not let me come back in. As the guards explained to me, those were the instructions of R. Amiryan, the chairman of the Central Electoral Commission. It was with difficulty that I persuaded them to let me at least call up—no one offered me the phone. At that time fellows from the National State were going in, and I asked them to tell Manukyan that I was not being allowed to enter the building, although I had not left the territory of the Supreme Soviet. A little later, after calling him up, I learned that the Central Electoral Commission was closed. I began to feel so sick that depositors who were waiting on the other side of the gates wanted to take me to the hospital. At such a decisive moment—what hospital!? Books with signatures are in the Central Electoral Commission, time was passing... It was only after an hour that I was able to get through to Amiryan on the phone. "Your documents will not be lost, leave. You can pick them up tomorrow, tikin [as transliterated]" he said. Nevertheless I had to go to the hospital on that day: My blood pressure had soared.

The next day I showed up at Manukyan's. He said to me: "Where were you yesterday. I waited for you until 7:30." I felt as if I was doused with cold water. I found my bag with the books of signatures—it was short four books! "Where are they?" I asked. "Maybe the Monarchists took them by mistake," he said. I even believed him and began to explain. Alas... they were lost, and that is all. I wrote a statement—a complaint against Amiryan that the Central Electoral Commission was obligated to examine within a three-day period. Only after 12 days did I get an answer with the chairman's signature: The statement was not accepted, inasmuch as it was unfounded. But even before this it was announced that

Aykandukht left the preelection campaign, having been unable to collect the necessary number of signatures. Absurd! It turned out that parties that existed three days collected signatures, and everything was in good order for them, but Aykandukht, behind which there were 60,000-80,000 cheated depositors, was unable to collect the signatures! And it did not cross the minds of those opposition parties that were present there to express a protest against such a crying injustice. The opposition, it is called...

[Manucharova] But you could have appealed to the court...

[Kazaryan] But just what is the court? A puppet in the hands of the authorities. I have seen enough of these farcical court trials regarding depositor affairs. For the judges their chairs are above the law and justice. Thus, I did not even waste the time. But I will return the money to the depositors even without the National Assembly. Why can Poris Chknavoryan complete a pilgrimage to enrich the state treasury, and I cannot help specific people to survive? I will go on a pilgrimage...

[Manucharova] Nevertheless, you have not dropped the idea of a deputy seat, since you have put forth your candidacy...

[Kazaryan] For me a deputy seat is not the dream of my whole life. My forebears were not deputies, and still they lived somehow. And then when you look at who wants to become a deputy... What a misfortune for us! A misfortune for our people! Those who did nothing in the last parliament (I have in mind not only the AOD [Armenian National Movement], but the opposition also). Especially the opposition, because owing to its weakness the ruling group got stronger. But a weak person is weak always and everywhere.

[Manucharova] But are you not in the opposition?

[Kazaryan] I am in an absolutely different opposition. I can see not only what is bad, but also what is good. For example, I very much like that part in the constitution that talks about individual rights. I do not repudiate the Constitution entirely. Although the chapter about the president, in my opinion, is good for nothing. Thus, in any case, it is not necessary to hurry with its adoption. And then, remember, our president said at one time: "Well, and so? Israel did not have a constitution for 40 years, but after all it did take place as a state." Today I am returning his words to him: Well, and so? We have lived without a constitution for six years, and we will live a little more. Let the future National Assembly work on it as a first order of business, complete it, and bring it up to the mark... We will wait.

No, I do not understand why they want everything this way in this Assembly. Either they want to protect themselves with a mandate from the sixth department, or from tax inspection—or from both. Frankly speaking, if it was not for the persistence of the depositors, I would not begin to promote my candidacy.

[Manucharova] Who are your rivals?

[Kazaryan] Adam Sarkisyan, Tizran Pevonyan, Mikael Melkoyan, Ruben Torosyan, furthermore... the director of Dvin, the director of the wine factory, which for 300 drams collected signatures in the casino that is on Tumanyana. At least that is what depositors told me, and I in turn advised them—give him the signatures, but vote, naturally, for me.

[Manucharova] On the whole, male company, and quite good...

[Kazaryan] There are women also. For example, Susanna Grivoryan from the ONS [expansion not identified]. But this does not mean anything. I am completely indifferent to whether I make it or not. Therefore, I am not conducting any work.

[Manucharova] Are you afraid of the pressure?

[Kazaryan] I am not afraid of anything. Only God and the damnation of the people. But I am not working for the reason that I am not confident whether I will feel comfortable in the future parliament. While the present one resembled an unsuccessful staging of a Paronyan comedy, then the coming one, in my opinion, will be like a strip tease show. Those destroyed without music, and these— with music and, moreover, diverse—from opera to jazz.

[Manucharova] Will you really decline air time?

[Kazaryan] No, although when I think about it, what can be said in these miserable five minutes that are "generously" granted television guests? Hello and farewell. This is a mockery, a farce. They could simply turn on the photo of the candidates during this time. However, I have my own rostrum, opposite the president's palace... on Fridays.

[Manucharova] But is it true that you speak without a loudspeaker? It is said that one of the candidates for deputy took a fancy to it...

[Kazaryan] It was taken from me for repair, and they have refused to return it. One of the members of our committee of depositors is running for deputy. Although to this day I have not understood whom he is serving and whose interests he is protecting. But they have already brought me another loudspeaker. But is it really a question of a loudspeaker? There would be something to say...

[Manucharova] You have no problem with this. But what do you get from your accusations and "discovery" of a letter addressed to the procurator general and chief of the investigative unit, Gezapyan.

[Kazaryan] Nothing for the present. But I hope that some day quantity will turn into quality.

[Manucharova] What else are you hoping for?

[Kazaryan] What do you mean what? There will be presidential elections soon. The depositors think that my candidacy is quite appropriate. Without a smile, please. Do you not really agree that only women, strong women, are capable of bringing these abnormal men to reason?!

Azerbaijan

Further on Official Visit by Iranian President

Rafsanjani Welcomed in Ahar

LD2206234195 Tehran IRNA in English
1840 GMT 22 Jun 95

[FBIS Transcribed Text] Tabriz, June 22, (IRNA)—Iran's President Hojjat ol-Eslam Akbar Hashemi-Rafsanjani arrived in Ahar Thursday afternoon on his five day trip to the East Azerbaijan province. The president was received amidst tumultous welcome of the people of Ahar.

Rafsanjani told the people at a great gathering that East Azerbaijan has taken a leap forward in the direction of development, reconstruction, prosperity and peace.

Rafsanjani went on to say that with the construction of several dams over the rivers of the East Azerbaijan province, it has taken positive steps towards prosperous future. He added that the construction of the dams heralds a fundamental transformation in the full use of surface water.

The president said that the enforcement of some important projects in the agricultural area will boost the production threefold in the very near future. He went on to say that important steps have also been taken in the mining area of the province.

Ahar seems to have become an important junction for the Central Asia and the Caucasus after the collapse of the former Soviet Union and the opening of the borders of those republics, stated the president.

President Rafsanjani promised to fulfil the requests of the people of Ahar on the setting up of a university and a library for Ahar in order to eliminate the educational problems of the city.

President Concludes Tour, Departs

LD2306084095 Tehran IRNA in English
0633 GMT 23 Jun 95

[FBIS Transcribed Text] Tabriz, Azerbaijan Province, June 23 (IRNA) — President Akbar Hashemi-Rafsanjani winding up his five-day visit to the provincial cities of East Azerbaijan left Tabriz on Thursday night.

In a short interview at Tabriz airport, President Rafsanjani appreciated the lofty sentiments and hospitality of his Azerbaijani hosts.

During his stay in East Azerbaijan Province, he visited 14 cities and delivered a speech to the people who accorded him warm welcome.

He inspected a considerable number of the development projects in the provincial cities and broke fresh ground for some other projects.

A crowd of people attended Tabriz airport compound and bade farewell to the president.

Action Against Elchibey Linked to Elections

NC2306042495 Baku TURAN in English
1506 GMT 22 Jun 95

[FBIS Transcribed Text] Baku, June 22 (TURAN)—The press-centre of the Popular Front of Azerbaijan [PFA] reports that yesterday at 20.40 the units of the army, police and the border troops of Nakhichevan blockaded the village of Keleki from direction of the villages of Destebashy, Ailis and Paragchai. As is known, ex-President of Azerbaijan, who had been overthrown in June 1993 during the military coup, lives now in this village. The troops are armed with armoured military carriers.

The Command of the group sent the ultimatum to the population of Keleki that this night the village will be taken under the control of the governmental troops.

It is not the first attempt of the authorities to seize the village and take Elchibey under the control. However, due to the protests of the local and international publicity, the authorities were forced to annul the operation.

It should be mentioned that this action has been taken on the eve of the PFA congress, which is to be held on June 24. The Congress must transform the movement in the party and announce its platform before the Parliamentary elections.

Today the Popular Front issued the statement, in which it accused the authorities of creation of tension before the elections, blocking of conduction of the PFA congress and attempt to annihilate Elchibey. The PFA demanded suspension of the operation and said that the leadership of the country will bear responsibility for all the consequences of further development of the events.

The Deputy Chairman of the PFA, Asim Mollazade, said that the authorities wish to provoke the PFA for the activities and then announce the Popular Front the extremist organization and suspend its activities.

Authorities Deny Threatening Elchibey

LD2206173695 Moscow ITAR-TASS World Service in Russian 1542 GMT 22 Jun 95

[By ITAR-TASS correspondents Sevinzh Andullayeva and Viktor Shulman]

[FBIS Translated Text] Baku, 22 June (ITAR-TASS) — The Azerbaijani authorities today categorically denied allegations made by the opposition of preparing a military operation aimed at the physical elimination of Former President Abulfaz Elchibey in the wake of the parliamentary elections on 12 November.

The Azerbaijani opposition People's Front Party circulated a statement today, claiming that Government troops surrounded the Keleyki settlement in Nakhichevan in order to physically eliminate Elchibey. The latter has been living in this settlement for the past two years, since his removal from the post of president of this country. The statement says that the authorities intend to wreck the convention of Elchibey's People's Front party conference on Saturday.

In an interview with an ITAR-TASS correspondent today, Azerbaijani Interior Minister Ramil Usubov said "that the units in his subordination as well as units of the National Army and border guards in Nakhichevan are at their usual locations." The minister claimed that "they are not planning to capture Keleyki."

Usubov said that the People's Front has kicked up a racket around this settlement because of the capture of three activists of the People's Front for bandintry in another district of Nakhichevan. The situation in Nakhichevan is quiet on the whole, the minister said.

Georgia

Envoy Denies Abkhazian Accusation of 'Terrorism'

LD2206124495 Moscow ITAR-TASS in English 1150 GMT 22 Jun 95

[By Irina Shchegoleva]

[FBIS Transcribed Text] SOCHI, June 22 (ITAR-TASS) — Abkhazia accused Georgia today of promoting the spreading of terrorism in its border areas. A statement of the Abkhazian Government, circulated by the Abkhazpress news agency today, stresses that "terrorists cross without hindrance the security zone, pass by the posts of U.N. observers from the territory of Georgia and attack the civilian population in the Ochamchira district of Abkhazia."

Vazha Lordkipanidze, Georgia's Ambassador to Russia, emphatically expressed disagreement with it. He told Tass that the statement of the Abkhazian Government "has absolutely nothing to do with the real situation." The Georgian Ambassador said that it was practically impossible for terrorists to penetrate into the Ochamchira district. Those who want to do so will have to pass by the posts of peacekeeping troops and the U.N. near the Inguri River, as well as check points of the Abkhazian police in the Gali district, which is situated between the territory of Georgia and the Ochamchira district. "It is not in the interests of Abkhazia to let terrorists into their territory, so that they will kill the civilian population. There is no logic in it," Lordkipanidze said.

Security Increased for Russian Troops in Caucasia

LD2206170695 Moscow ITAR-TASS in English 1634 GMT 22 Jun 95

[FBIS Transcribed Text] TBILISI June 22 (GIA) [SAKINFORM identifier as received] — A statement circulated today by the press centre of Russian troops stationed in Transcaucasia informs Georgian authorities and the population that security of Russian military bases is tightened on the order from the Russian defence minister.

To avert assaults by Dudayev-led bandit groups, mine zones are created around Russian military sites, the use of deadly force against intruders is authorised, and additional measures are introduced to guard the sites and protect families of Russian servicemen, the statement says.

These measures are not related to activation of Russian troops deployed in Georgia and Armenia, the statement continues.

The Transcaucasia-stationed troops ask for a correct and unbiased attitude to the security alert and warn against any illegal acts against the troops and their installations, the statement says.

Shevardnadze Blames 'Extremist Forces' for Shootings

LD2206190195 Moscow Voice of Russia World Service in English 1800 GMT 22 Jun 95

[FBIS Transcribed Text] Eduard Shevardnadze, Georgian leader, has blamed the extremist forces operating in Western Georgia for plotting to disrupt the upcoming presidential and parliamentary elections in the republic. Speaking to members of the parliamentary majority in the capital Tbilisi on Thursday, he said that unidentified gunmen had opened fire earlier in the day, killing two and wounding three passers-by in the western Georgian town of Samtredia. He said that special anti-terrorist units had already been dispatched to the town.

On Wednesday, the entire power grid in this former Soviet republic was shut down after a high-voltage line was ruptured in the western part of the country. The authorities say this could have been done by extremist actions.

Estonia

Ministry Deems Russian Border Demarcation 'Violation'

WS2306074195 Tallinn ETA in English 1927 GMT 22 Jun 95

["News Release"]

[FBIS Transcribed Text] In the end of June Russian border guard is to end unilateral demarcation of the Estonian-Russian border with work on the Narva Water Reservoir, which Estonia considers a violation of international norms, Foreign Ministry spokesman told ETA.

Estonia bases the border issue of Tartu Peace Treaty of 1920 but is ready to support compromise variants that are close to the present control line between the states, that was developed at Soviet times, Estonian Prime Minister Tiit Vahi has said.

There is no inter-state agreement between Estonia and Russia on border issues and thus Estonian side cannot participate in the demarcation.

The spokesman said that some compromise may be reached in the border issue at negotiations between Estonia and Russia at the beginning of July.

Security Chief on Danger of Russian Citizens, Embassy

LD2306083095 Tallinn Radio Tallinn Network in Estonian 1700 GMT 22 Jun 95

[FBIS Translated Text] The ever increasing body of Russian citizens and their political movements constitute the biggest danger to Estonian security. This is what Juri Pihl, the security police department's director-general, has concluded. Pihl acknowledged that if the number of Russian citizens continues to increase at the present rate, large areas in East-Virumaa district will be inhabited by citizens of a foreign country. If Russia manipulates them, this may bring grave consequences to Estonian security, as well as to its territorial unity.

At present there are as many as 73,000 plus Russian citizens in Estonia. During the first week in June the number of Russian citizens increased by nearly 2,500. The Russians' public and political movements in Estonia also constitute a major source of danger from inside.

Pihl said that the Russian Federation's diplomatic corps also constituted a major security problem, because knowing Russia's intelligence tactics, it is evident that several intelligence officers are active in its midst. From the time the Russian embassy was opened, the number of diplomats constantly increased.

Vahi Criticizes Police for Debt to State

LD2206160295 Tallinn Radio Tallinn Network in Estonian 1300 GMT 22 Jun 95

[FBIS Translated Text] At a meeting with the leaders of the Police Department and organizations subordinated to it, Estonian Prime Minister Tiit Vahi sharply criticized the Police Department, which has not paid its taxes to the state for several years and currently owes 29.2 million kroons to the state.

Vahi noted that in light of the purchase of Suzuki jeeps and some other expenditures by the Police Department, he could not be satisfied with the department's reference to lack of money.

Vahi said the budget of the Ministry of Internal Affairs for 1995 was 924 million kroons, being one of the largest budgets for a ministry. He said the ministry must look for internal reserves.

Ain Seppik, director general of the Police Department, told BNS that the department was not able to pay its debts and fines for the delay of payment, and, therefore, the state has to help the police.

Lithuania

Brazauskas: NATO Should Not Exclude East Europe

LD2206133995 Vilnius Radio Vilnius Network in Lithuanian 0900 GMT 22 Jun 95

[FBIS Translated Text] Lithuanian President Algirdas Brazauskas believes that it will be a significant failure for both Lithuania and the Western states if the Baltic countries in their relations with the European Union, the West European Union, and NATO in some way become isolated from other Central and East European states.

Speaking at the West European Union Parliamentary Assembly session in Paris today, the Lithuanian president spoke in favor of providing equal political opportunities for all democratic Central European states that wished to join NATO to do so. Algirdas Brazauskas described extending and developing cooperation with Western structures, the European Union, the West European Union, and NATO, until Lithuania becomes a full member of these structures as an especially important and decisive trend in Lithuania.

Lithuania, like other Central European states, cannot ensure its security on its own, Brazauskas said speaking to the West European Union parliamentarians.

Speaking about relations with Russia, the president stressed that currently there were no essential problems between Lithuania and Russia. The isolation of Russia can be avoided by reaching a long debated special security agreement between the Western states and Russia. Strategic partnership between NATO and Russia should be reinforced as soon as possible by the economic partnership between the European Union and Russia, Brazauskas stressed.

Following the report that was made in English, President Algirdas Brazauskas answered questions from MPs of the Western European Union.

The Lithuanian President is the first head of the Baltic states to deliver a report at the West European Union Parliamentary Assembly.

Algirdas Brazauskas will have dinner today with the secretary-general of the Standing Council of the West European Union and the president of the Parliamentary Assembly. Following this he will return to Vilnius.

Human Rights Protection Document Ratified

WS2206140895 Tallinn BNS in English
1807 GMT 21 Jun 95

[FBIS Transcribed Text] Vilnius, Jun 21, BNS — Lithuania has approved the main European document protecting human rights and basic freedoms — the 1950 European Convention on Human Rights and Protection of Basic Freedoms.

Lithuanian Ambassador to the Council of Europe, Aurimas Taurantas, on Tuesday submitted the ratification documents to Council of Europe Secretary-General Daniel Tarschys.

The Lithuanian parliament ratified the 1950 European Convention on Human Rights and Basic Freedoms Protection, and its Fourth, Seventh and Eleventh protocols in late April this year.

After the ratification notes have been submitted and the Convention with its Fourth protocol come into force, Lithuanian citizens can appeal to the European Court of Human Rights.

Meanwhile, the Seventh protocol of the Convention must come into force in Lithuania as of September 1, and the Eleventh clause will become valid only once ratified by all parties to the Convention.

Lithuania is the first of the three Baltic States to ratify the Convention and its protocols.

Ambassador Taurantas also presented to Tarschys the copies of other documents ratified by the Lithuanian parliament — the 1990 European Convention on Apprehension, Arrest and Confiscation of Income Acquired by Means of Money Laundering or Criminal Action, the 1957 European Convention on Extradition and its 1975 Enclosure protocol as well as the 1978 Second Enclosure protocol.

Restructuring Under Way at Foreign Ministry

LD2206233695 Moscow INTERFAX in English
1618 GMT 22 Jun 95

[From the "Diplomatic Panorama" feature: reports by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] VILNIUS, June 22 (INTERFAX) — Lithuania's Foreign Minister Povilas Gylys on Thursday endorsed a new structure for the foreign policy department. The purpose of the ongoing restructuring is to adapt the foreign office to the new realities, caused by Lithuania's entry in the European Union as an associated member, Romanas Miliauskas, the Lithuanian Foreign Minister's press secretary, has said in an interview with INTERFAX in Vilnius.'

According to him, "because of the new priorities, Lithuanian Foreign Policy Departments and other offices will have to do a lot to harmonize national laws and other acts and conform them to European standards, EU norms and expand cooperation with European Union countries."

"A European Integration Department and a Department of Law and International Treaties being formed at Lithuania's Foreign Ministry are called upon to make this task easier," Miliauskas said.

He revealed that "the Political Department will be retained at the Foreign Ministry, and the Department for Economic Ties will be transformed into an Economics Department."

"Chiefs of the new departments will be appointed within the next few weeks," Miliauskas declared.

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